8935. By Mr. RUDD: Petition of International Brotherhood of Paper Makers, Local No. 45, Deferiet, N. Y., favoring tariff protection of the pulp and paper industry; to the Committee on Ways and Means.

8936. By Mr. SMITH of West Virginia: Resolution of the Woman's Home Missionary Society of the Methodist Church of Charleston, W. Va., favoring Federal supervision of the motion-picture industry, etc.; to the Committee on Interstate and Foreign Commerce.

8937. Also, resolution of the Young Women's Auxiliary of the Sixth Street Methodist Church, Charleston, W. Va., favoring Federal supervision of the motion-picture industry, etc.; to the Committee on Interstate and Foreign Commerce.

8938. By Mr. SNELL: Petition of residents of Ticonderoga, N. Y., urging prompt action on stop-alien representation amendment; to the Committee on the Judiciary.

8939. By Mr. STRONG of Pennsylvania: Petition of the Methodist Episcopal Church of Homer City, Pa., favoring the proposed amendment to the Constitution of the United States to exclude aliens in the count for the apportionment of Representatives among the several States; to the Committee on the Judiciary.

8940. By Mr. SWING: Petition of 35 members of the Methodist Women's Council and Woman's Christian Temperance Union of Corona, Calif., in behalf of the stop-alien representation amendment to the Constitution of the United States to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

8941. Also, petition of the Nonpartisan League of Imperial, Calif., indorsing Congressman PATMAN's proposition for paying the American Legion members by Congress issuing emergency currency good for all debts public and private and retiring said certificates of indebtedness; and protesting any new Federal tax increase to pay Government expenses; to the Committee on Ways and Means.

8942. Also, petition of 50 citizens of Costa Mesa, Calif., in behalf of the "stop alien representation" amendment to the Constitution of the United States to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

8943. By Mr. TIERNEY: Petition of Ignatius K. Werwinski, requesting that October 11 of each year be declared General Pulaski's Memorial Day; to the Committee on the Judiciary.

8944. By Mr. TURPIN: Petition of citizens of Luzerne County, Pa., urging passage of "stop-alien representation" amendment to the United States Constitution; to the Committee on the Judiciary.

8945. By Mr. WHITE: Petition of Woman's Home Missionary Society of the St. John's Methodist Church, Toledo, Ohio, pertaining to regulation of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8946. Also, petition of the Young Women's Home Missionary Society of the St. John's Methodist Episcopal Church, Toledo, Ohio, pertaining to regulation of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8947. Also, petition of Grace Canfield Auxiliary of the Home Missionary Society, Toledo, Ohio, pertaining to Federal regulation of the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

8948. By Mr. WITHROW: Petition of the congregation of the Methodist Episcopal Church of Tomah, Wis., petitioning the Congress of the United States against the legalization of beer and the resubmission of the eighteenth amendment; to the Committee on Ways and Means.

8949. Also, petition of the congregation of the Church of God of Tomah, Wis., petitioning the Congress of the United States against the legalization of beer and the resubmission of the eighteenth amendment; to the Committee on Ways and Means.

8950. By the SPEAKER: Petition of veterans' committee, urging immediate cash payment of the adjusted-service certificates and other veterans' legislation; to the Committee on Ways and Means.

SENATE

THURSDAY, DECEMBER 15, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had agreed to a concurrent resolution (H. Con. Res. 42) to extend the time for the filing of the report of the United States Roanoke Colony Commission, in which it requested the concurrence of the Senate.

ROANOKE COLONY COMMISSION

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to take from the Vice President's desk the House concurrent resolution which has just come over from the House, and I ask for its immediate consideration. The time in which the commission must report expires to-day, and there is necessity for an extension. The extension is until the 15th of January. I think there will be no objection. I ask that the concurrent resolution be reported.

The VICE PRESIDENT. The concurrent resolution will be read for the information of the Senate.

The Chief Clerk read the concurrent resolution.

The VICE PRESIDENT. Is there objection?

There being no objection, the concurrent resolution (H. Con. Res. 42) was considered by unanimous consent and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That section 6 of the House concurrent resolution establishing the United States Roanoke Colony Commission, Seventy-second Congress, be, and the same is hereby, amended to read as follows:

"SEC. 6. That the commission shall, on or before the 15th day of January, 1933, make a report to the Congress in order that enabling legislation may be enacted."

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Dale	Kean	Schall
Austin	Davis	Kendrick	Schuyler
Bailey	Dickinson	Keyes	Shipstead
Bankhead	Dill	King	Shortridge
Barbour	Fess	La Follette	Smith
Barkley	Frazier	Logan	Smoot
Bingham	George	Long	Steiwer
Black	Glass	McGill	Swanson
Blaine	Glenn	McKellar	Thomas, Okla.
Borah	Goldsborough	McNary	Townsend
Broussard	Gore	Metcalf	Trammell
Bulkley	Grammer	Moses	Tydings
Bulow	Hale	Neely	Vandenberg
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Nye	Walcott
Carey	Hatfield	Oddie	Walsh, Mass.
Cohen	Hawes	Patterson	Walsh, Mont.
Coolidge	Hayden	Pittman	Watson
Copeland	Hebert	Reed	White
Costigan	Howell	Reynolds	
Couzens	Hull	Robinson, Ark.	
Cutting	Johnson	Robinson, Ind.	

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained in attendance on the funeral of the late Representative Garrett.

I also desire to announce that the Senator from Illinois [Mr. LEWIS] is detained on official business.

I also wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] and the junior Senator from Arkansas [Mrs. CARAWAY] are detained by reason of illness.

Mr. TRAMMELL. I wish to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is detained by illness.

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. My colleague [Mr. WHEELER] is absent on account of illness.

The VICE PRESIDENT. Eighty-five Senators have answered to their names. A quorum is present.

COMMODITY PRICES AND SILVER PRICES

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent to have printed in the RECORD an address by the Senator from Nevada [Mr. PITTMAN] at the Thirty-fifth Annual Convention of the American Mining Congress, held in Washington, D. C., at the Mayflower Hotel, on December 15, 1932, on the subject of Commodity Prices and Silver Prices.

The VICE PRESIDENT. Without objection, it is so ordered.

The address is as follows:

I intend, as briefly as I may, to discuss informally with you the silver problem as it affects international trade and commerce and particularly our export trade. The enormous loss to our mining industry in this country, the recession in mining operations, the resultant unemployment and suffering are too well known to you of the mining congress to require discussion.

The world problem to-day is the commodity-price problem. The prosperity of industry, trade, and commerce depends upon the ability of people to purchase not alone the bare necessities of life but those things that make for comfort, enlightenment, high standards of living, and happiness. This purchasing power ultimately goes back to the price of commodities. The normal purchasing power that existed in most countries prior to 1930 has depreciated to its disastrous present level through the destructive depreciation in the price of commodities.

The agricultural problem—and the prosperity of agriculture is admitted to be the base of all prosperity—is the problem of raising commodity prices to a point where there will be a profit to the industry. To-day many of our chief agricultural products must be sold below the cost of production. The effect upon the purchasing power of such producers is obvious. At least one-third of our people are directly dependent for their purchasing power upon profits derived from the products of agriculture. When these people are unable to purchase the products of the manufacturer, the manufacturer is compelled to reduce his output; and as he reduces his output, he discharges labor. Labor, as a group, is admittedly second in importance as a purchaser in our domestic market. As labor is compelled to join the ranks of the unemployed, it also joins the ranks of nonpurchasers, and thus continues the process of the necessary reduction in plant operations. This is a vicious and unending circle which can not and never will be terminated until the purchasing power of those engaged in agriculture have the price of their products raised to a level that will show a profit to the industry. The value of lands is dependent upon the profits that may be derived from them, and that in turn is dependent upon the profits that may be obtained from the commodities raised thereon. The value of manufacturing plants is determined by their earning capacity, and no plant operating on 15 or 20 per cent of its normal capacity can show a profit.

So when commodity prices are below the cost of a profit level, then property values decrease. As property values decrease, the power of governments to obtain money from taxation decreases, whether such taxes be levied against physical property or incomes. So the budget problem is inevitably and eternally involved in the price of commodities. Our real problem can never be solved until the prices of commodities are raised, not only above the cost of production but to a level that will show a profit. When plant operations are reduced through loss of purchasers, carloadings fall off, and nothing can restore such loss save the restoration of the purchasing power of the people within our country. So again I repeat that all of our problems, both governmental and individual, are involved in the problem of commodity prices.

There is no overproduction as measured by the normal demands of our people for consumption. Production is less than it was prior to 1930, and yet our population has increased and the desires of our people for those things that they consumed prior to 1930 are unchanged. Surplus products in practically every country of the world have beaten down domestic prices. These surplus products, restrained from their natural foreign markets, have been thrown back on domestic markets with a natural inevitable destruction of domestic prices.

This cessation or stagnation of foreign trade may be due to several causes, but undoubtedly it is chiefly due to two major causes. Tariff walls erected by 41 governments of the world in the last few years for the purpose of protecting their own markets against importation from foreign countries have undoubtedly been a major cause in the stagnation of trade.

The depreciation in the currencies of most of the countries of the world, as measured by the gold standard, has had the same effect as a tariff wall, and, in most cases, has multiplied the effect of tariff duty walls. Even Great Britain's currency, since she went off the gold-standard basis, has depreciated over 30 per cent. The currency of other countries has depreciated very much more. Great Britain to-day, in purchasing our products, must buy our gold exchange with her depreciated currency and then pay our gold-standard price for our products. She can buy much more of the same products in countries where currency has depreciated as much as has hers or to a greater extent. The pound sterling will purchase in Argentina or Russia at least 50 per cent more wheat than it will buy in the United States. That is because the money of Argentina has depreciated in value even to a greater extent than has the currency of Great Britain. We are similarly affected by similar conditions in most of the countries of the world.

It seems to me inevitable that we will be isolated from world trade unless we lower the value as related to gold of our own currency or the other countries of the world formerly on the gold standard have their currencies restored to their normal value with relation to gold. We do not desire, if it may be prevented, to lower the standard of value of our currency. It would have a disrupting effect upon our economic system and upon many of our financial obligations and indebtedness.

The difficulty of other governments returning to the gold standard is obvious. What aid our Government may give them is not clear. The United States and France have nearly three-fourths of the monetary gold of the world. The problem of the redistribution of this gold, in the immediate future at least, appears almost insurmountable, and yet those governments that have gone off the gold standard can not return to the gold standard until the normal distribution of gold throughout the world has been restored. Let us for the time being, therefore, dismiss this problem.

There is another money exchange problem that is destroying our export trade. I refer to the problem involved in the tremendous depreciation of the price of silver and its consequent effect upon the exchange value of the silver money of silver-money-using countries with our gold-standard money. Over half of the people of the world have no money save silver money. They have never used any other kind of money. To them it is money, good money, that maintains its par value within their own countries.

Take China as an illustration. The silver dollar, a dollar containing about the same amount of silver as our standard silver dollar, is the unit of money value in China. The fluctuation in the price of silver does not affect its purchasing power materially, if at all, within China. But when China seeks to purchase products of our country, she is compelled to pay our price for our products and in our gold-standard money. What is the result? We only value the Chinese money at the price of the silver in the dollar, measured by the world price of silver, which, as you know, is uniform throughout the world. The Chinese silver dollar contains about seventy-eight one-hundredths of an ounce. The world price of silver to-day is around 25 cents an ounce. So the value of the silver in the Chinese silver dollar, in exchange for our currency, is worth only about 20 cents. In other words, the Chinese importer has to pay nearly five of his dollars for one of our dollars with which to purchase our products. He can not afford to do it, with the result that he is only purchasing in the United States those things that are actually necessary in China and which China does not produce and can not purchase elsewhere cheaper.

This is not the worst of it. Gold is flowing into China to purchase cheap silver money with which to cultivate products which they once purchased in the United States and to build factories to manufacture those things which they once bought from us.

This same condition applies to every country where the ultimate purchaser must pay for our products in silver. We must raise the price of silver so as to raise the exchange value of silver money if we are to restore our exports to such countries and maintain our trade there. The question is: How may we do it? Silver has depreciated in value since 1928 from around 59 cents an ounce to its present low price of around 25 cents an ounce. Let us consider the chief cause in the depreciation of the price of silver. It was not due to overproduction because the production of silver during that time has decreased from 260,970,029 ounces throughout the world in 1929 to approximately 130,000,000 ounces throughout the world during the first 10 months of 1932.

While it has not been due to overproduction, it has been due to oversupply and a threat of unlimited oversupply. First, Great Britain, France, and Belgium, after the war, started debasing their silver coins and throwing the residue of silver on the markets of the world. This caused an oversupply measured by the normal demand for silver.

Then, in 1928, the British Government for India commenced to melt up its silver rupee coins that were in the treasury and to dispose of the metal as bullion on the world market. The treasurer for India was authorized to melt up any quantity of silver coins and to sell them in any quantities at any time and at any price. The sale of this silver commenced in 1928 and has continued. It has not only created a tremendous oversupply, with all of its bear effects, but the maintenance of the policy, the threat that accompanies it, and the vast supply of silver still

available for such purposes has almost destroyed confidence as to any stable value in the price of silver. This must be stopped or offset. It may be stopped by an international agreement that governments will abandon—or at least suspend for a sufficient period of time—the practice and policy of melting up silver coins and disposing of the metal on the world market. If the Government for India refuses to enter into such a treaty, then other governments may place an embargo upon the importation of silver from India.

Our Government may adopt an act which I have introduced to purchase silver produced in the United States at the world market price of silver and with silver certificates of the denominations of $1, $5, and $10. This is not a new practice. It would cost our Government nothing. It would only expand our currency issue at the present time seven or eight million dollars annually in the form of these silver certificates, but it would take off the market of the world the silver produced in the United States, which, to a certain extent, would offset the dumping from India of silver derived from the melting up of silver coins. If the Governments of Canada, Mexico, and Australia should pursue the same policy, then silver would be restored to its parity with gold as it exists with regard to our own silver coins in the United States.

The United States Government might accept, in full or partial payment, from Great Britain and other countries, silver at an agreed price, possibly slightly above its world market price, in payment of the international obligations due the United States. This silver could be placed in the Treasury of the United States, part of it coined into silver dollars against which silver certificates would be issued, redeemable as are our present silver certificates with the silver dollars, if the holders of the silver certificates so desired. At the present market price of silver there would be surplus bullion for every dollar's worth purchased sufficient to coin three or more additional dollars to insure that the silver certificate issued would not depreciate below its par value. We have approximately $500,000,000 of such silver certificates now in circulation. They are circulating at par. No one questions their soundness. The Government of India owes the British Government, so it is reported, about $85,000,000. The Government of India desires to get rid of so much of its silver, so we are informed. India could pay its debt to Great Britain and Great Britain could utilize this silver to pay its debt to the United States without in any way impairing its gold reserve. This would exhaust the alleged excessive surplus of India, and would induce India to enter into an agreement to abandon the practice and policy of melting up silver coins and disposing of the metal on the market of the world. This would insure, for many years at least, the restoration of the law of supply and demand based upon normal mine supply which has been uniform through the ages and the normal demand which has been equally uniform. If there were any fear in the minds of those who shiver when the name of silver is mentioned that there would be an oversupply for the United States, then our Government could place a limit upon the quantity of silver that it would accept for such purposes.

Of course, you and I know that the production of silver is as uniform as the production of gold, and that from the beginning of statistics covering hundreds of years there have only been 14½ ounces of silver produced to each ounce of gold. You know, as I know, that the only large available supply of silver in the world consists of five hundred million and odd standard silver dollars lying in the Treasury of the United States, against which silver certificates have been issued and are in circulation. You know that when the British Government for India in 1918 required 200,000,000 ounces of silver to redeem its silver rupee notes, that the only place they could find a surplus supply of silver available was in the Treasury of the United States in the form of these same standard silver dollars, and we had to take them out and make them available to the British Government for India as a matter of war emergency.

Even the issuance of silver certificates against the large quantity of silver which might be taken into our Treasury, through the plan I have last suggested, would not place in circulation in proportion to our gold reserves as much silver currency as was in circulation in 1900 with relation to our gold reserves.

Through international agreement silver reserves might be gradually established in the treasuries of various countries, not in lieu of gold reserves upon which to base the gold standard, but as a support and relief to such gold standard. In my opinion, the easiest and the most direct relief of the economic situation throughout the world can be brought about through a larger use of silver money.

It would be absolutely unnecessary to attempt to fix the price. I am opposed to all price-fixing schemes. I know of no case in which they have worked. I only seek to restore the law of supply and demand. Once stabilize the supply to the normal mine supply, and the normal use and the exchange value of silver money would be substantially stabilized. Certainly the fluctuation in the exchange value of such silver money would not be sufficient to interfere with credit transactions based upon the future value of silver money.

BANKING ACT

Mr. GLASS. Mr. President, I desire to present a unanimous-consent request. I think it is pretty generally agreed on both sides of the Chamber that the banking bill should follow the determination of the Philippine bill, but a consultation with certain members of the Banking and Currency Committee and certain leaders has brought us to the conclusion that a little delay would enable us to iron out some controversial questions in connection with the bill. Therefore, I ask unanimous consent that the bill (S. 4412) to provide for the safer and more effective use of the assets of Federal reserve banks and of national banking associations, to regulate interbank control, to prevent the undue diversion of funds into speculative operations, and for other purposes, be made a special order for January 5 next and that it be continued to its conclusion, except that it shall be laid aside for appropriation bills.

The VICE PRESIDENT. Is there objection to the request of the Senator from Virginia?

Mr. McNARY. Mr. President, I hope there will be no objection to the unanimous-consent request proposed by the Senator from Virginia. It will be a very great accommodation to him and, I am informed, meets with the approval of the Committee on Banking and Currency.

Mr. ROBINSON of Arkansas. Mr. President, I concur in the suggestion of the Senator from Virginia, having discussed the matter with a number of Senators. There are some other measures that may be taken up and disposed of in the interim, including possibly a general appropriation bill.

Mr. BLAINE. Mr. President, I merely wish to suggest that the unanimous-consent request is rather broad and goes beyond the usual unanimous-consent request. As I understood the Senator from Virginia, the request is to make the bill the unfinished business beginning on January 5 and continuing as such until disposed of, except that it would be temporarily laid aside for the consideration of appropriation bills.

Mr. McNARY. The request made by the Senator from Virginia was to make the bill a special order for January 5, so that if there were any unfinished business pending it would yield and take its place only when there was no unfinished business after the 5th of January.

Mr. BLAINE. May I make this inquiry? The request also was that it be continued for consideration until disposed of except to be laid aside for the consideration of appropriation bills.

Mr. McNARY. That is quite an unnecessary request. It is quite the procedure anyhow. We always continue with the unfinished business until it is disposed of, although it may be laid aside temporarily for something deemed more important.

Mr. BLAINE. Would the request preclude a motion to take up some other measure?

Mr. McNARY. It would not, in my opinion. A motion of that kind can be made at any time.

Mr. BLAINE. With the understanding that the request is merely to make the bill the unfinished business or a special order as of January 5, I have no objection; but if it goes to the proposition that no other legislation may be considered except appropriation bills until it is disposed of, then I would object.

Mr. GLASS. Of course, the matter could be displaced by action of the Senate at any time.

Mr. BLAINE. Other than by a unanimous-consent request?

Mr. BINGHAM. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Connecticut rises for the purpose of propounding a parliamentary inquiry. The Senator will state it.

Mr. BINGHAM. In case the unanimous-consent request submitted by the Senator from Virginia is granted, would it be possible during the discussion of the banking bill to make a motion to take up anything except an appropriation bill?

The VICE PRESIDENT. The Chair is of the opinion that, because of the way the request is worded, it would not be possible except by unanimous consent.

Mr. BLAINE. That is the point to which I was directing my inquiry. I object to any unanimous consent request

that would preclude the Senate from acting under the rule other than by unanimous consent.

Mr. GLASS. Then I will modify my request and ask merely that the bill to which I referred be made a special order for January 5. If the Senator from Connecticut thinks he can get his beer bill up in the meantime, the Senate will have to determine that question.

The VICE PRESIDENT. The Senator from Virginia modifies his request and asks unanimous consent that the bill referred to may be made a special order for January 5. Is there objection? The Chair hears none, and it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

SENATOR FROM OKLAHOMA

The VICE PRESIDENT laid before the Senate the credentials of ELMER THOMAS, chosen a Senator from the State of Oklahoma for the term commencing on the 4th day of March, 1933, which were ordered to be placed on file and to be printed in the RECORD, as follows:

STATE ELECTION BOARD,
STATE OF OKLAHOMA.

CERTIFICATE OF ELECTION

The State of Oklahoma to Whom these Presents Shall Come, Greeting:

Know ye, that at a general election held throughout the State of Oklahoma on the 8th day of November, A. D. 1932, ELMER THOMAS, the regularly selected and legally qualified candidate for the office of United States Senator on the Democratic ticket, received the highest number of votes cast at said election for said office, as appears from the records of the State election board of said State.

This is to certify that the said ELMER THOMAS is the regularly and legally elected United States Senator of said State for a term of six years beginning with and from the 4th day of March, A. D. 1933.

In testimony whereof the State election board of the State of Oklahoma has caused this certificate of election to be issued by its secretary and its official seal to be hereunto affixed on this the 19th day of November, A. D. 1932, in the capital of said State.

[SEAL.] J. WM. CORDELL,
Secretary of the State Election Board of the State of Oklahoma.

INDIVIDUAL CLAIMS OF SIOUX INDIANS (S. DOC. NO. 152)

The VICE PRESIDENT laid before the Senate a letter from the Secretary of the Interior, reporting, pursuant to law, on claims of certain individual enrolled Indians under the Pine Ridge, Standing Rock, Cheyenne River, and Rosebud Sioux Agencies for "allotments of land and for loss of personal property or improvements where the claimants or those through whom the claims originated were not members of any band of Indians engaged in hostilities against the United States at the time the losses occurred," etc., which, with the accompanying draft of proposed legislation, was referred to the Committee on Indian Affairs and ordered to be printed.

CHAIN STORES (S. DOC. NO. 153)

The VICE PRESIDENT laid before the Senate a letter from the chairman of the Federal Trade Commission, transmitting, pursuant to Senate Resolution 224, Seventieth Congress, first session, a report on short weighing and overweighing in chain and independent grocery stores, which, with the accompanying report, was referred to the Committee on the Judiciary and ordered to be printed.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Administrator of Veterans' Affairs, transmitting, pursuant to law, a list of records on the files of the Veterans' Administration at Washington, D. C., and in the field which are no longer of use in current work nor of historical value, and asking for action looking to their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. SMOOT and Mr. HARRISON members of the committee on the part of the Senate.

ARABELLA E. BODKIN *v.* THE UNITED STATES (S. DOC. NO. 154)

The VICE PRESIDENT laid before the Senate a letter from the assistant clerk of the Court of Claims of the United States, transmitting a duplicate certified copy of the special finding of fact, conclusion, and memorandum by the court, filed March 11, 1929, in the cause of Arabella E. Bodkin *v.* The United States, which, with the accompanying paper, was referred to the Committee on Claims and ordered to be printed.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a letter in the nature of a memorial from Noel Gaines, president of the American Flag Movement, Frankfort, Ky., remonstrating against the ratification of the World Court protocols and membership of the United States in the World Court on the ground that such action would be without constitutional authority, which was ordered to lie on the table.

He also laid before the Senate a letter from C. L. Brown, president of the Northfield Iron Co., Northfield, Minn., submitting a plan for immediate farm and business relief, known as the Northfield plan, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate resolutions adopted by a town-hall meeting at the Public Forum of Brooklyn Heights (Inc.), of Brooklyn, N. Y., opposing the repeal of the eighteenth amendment of the Constitution and the repeal or modification of the national prohibition law, which were referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a memorial from members of the Woman's Christian Temperance Union of Fredonia, Kans., remonstrating against repeal of the eighteenth amendment of the Constitution and the repeal or modification of the national prohibition law, which was referred to the Committee on the Judiciary.

He also laid before the Senate memorials of sundry citizens of Fredonia, Kans., remonstrating against repeal of the eighteenth amendment of the Constitution and the repeal or modification of the national prohibition law, which were referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the International Association of Projectionists and Sound Engineers of North America, New Orleans, La., favoring the establishment of a Federal system of unemployment insurance, which were ordered to lie on the table.

He also laid before the Senate resolutions adopted by the International Association of Projectionists and Sound Engineers of North America, New Orleans, La., favoring the establishment of a commission, composed of well-known authorities on social reform, to investigate the so-called Mooney-Billings and the Scottsboro cases, as well as prison conditions in certain States, which were referred to the Committee on the Judiciary.

He also laid before the Senate resolutions adopted by the International Association of Projectionists and Sound Engineers of North America, New Orleans, La., favoring the recognition of the Soviet Government of Russia, which were referred to the Committee on Foreign Relations.

He also laid before the Senate resolutions adopted by the International Association of Projectionists and Sound Engineers of North America, New Orleans, La., indorsing the so-called hunger march and favoring the courteous reception of the hunger marchers, which were referred to the Committee on Appropriations.

He also laid before the Senate resolutions adopted by the International Association of Projectionists and Sound Engineers of North America, New Orleans, La., opposing the making of further expenditures for war purposes, which were referred to the Committee on Appropriations.

Mr. BINGHAM presented resolutions adopted at Philadelphia, Pa., by Filipino delegates, residents of the State of Pennsylvania, opposing the passage of the pending so-called

Hawes-Cutting Philippine independence bill, which were ordered to lie on the table.

Mr. GRAMMER presented petitions of members of Fern Hall Methodist Episcopal Church, of Tacoma, and the Green Lake Methodist Episcopal Church Woman's Home Missionary Society, of Seattle, in the State of Washington, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

Mr. KEAN presented resolutions adopted by the New Jersey branch of the Railway Mail Association, favoring the passage of a suggested program of legislation on behalf of employees of the Railway Mail Service during the present session of Congress, which were referred to the Committee on Appropriations.

He also presented memorials, numerously signed, of sundry citizens of the State of New Jersey, remonstrating against the repeal of the eighteenth amendment of the Constitution or the modification of the national prohibition law, which were referred to the Committee on the Judiciary.

Mr. COPELAND presented petitions of the Woman's Home Missionary Society of the Methodist Episcopal Church of Amityville, and the Woman's Home Missionary Society of Binghampton, in the State of New York, praying for the prompt ratification of the World Court protocols, which were ordered to lie on the table.

He also presented the petition of the Woman's Home Missionary Society of Binghamton, N. Y., praying for the passage of legislation providing supervision and regulation of the motion-picture industry, which was ordered to lie on the table.

He also presented resolutions adopted by members of Caduceus Post, No. 818, the American Legion, in the State of New York, opposing the immediate cash payment of the so-called soldiers' bonus, which were referred to the Committee on Finance.

ENROLLED BILL PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on the 14th instant that committee presented to the President of the United States the enrolled bill (S. 3532) to authorize the Commissioners of the District of Columbia to readjust and close streets, roads, highways, or alleys in the District of Columbia rendered useless or unnecessary, and for other purposes.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMOOT:

A bill (S. 5189) to amend section 1 of the act entitled "An act to provide books for the adult blind," approved March 3, 1931; to the Committee on Education and Labor.

By Mr. HAYDEN:

A bill (S. 5190) to amend the description of land described in section 1 of the act approved February 14, 1931, entitled "An act to authorize the President of the United States to establish the Canyon De Chelly National Monument within the Navajo Indian Reservation, Ariz."; to the Committee on Indian Affairs.

By Mr. LA FOLLETTE:

A bill (S. 5191) granting a pension to Charlott C. Oliver (with accompanying papers); to the Committee on Pensions.

By Mr. HEBERT:

A bill (S. 5192) for the relief of Apostolis B. Cascambas; and

A bill (S. 5193) for the relief of George Lancellotta; to the Committee on Claims.

By Mr. SWANSON:

A bill (S. 5194) for the relief of Martha Edwards, Norfolk Protestant Hospital, and Dr. Julian L. Rawls; and

A bill (S. 5195) to confer jurisdiction on the Court of Claims to hear and determine the claim of Mount Vernon, Alexandria & Washington Railway Co., a corporation; to the Committee on Claims.

By Mr. DALE:

A bill (S. 5196) to amend an act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts in amendment thereof," approved July 3, 1926, and May 29, 1930; to the Committee on Civil Service.

By Mr. McKELLAR:

A bill (S. 5197) to amend an act entitled "An act to regulate the issue and validity of passports, and for other purposes," approved July 3, 1926; to the Committee on Foreign Relations.

By Mr. CUTTING:

A bill (S. 5198) to amend the act entitled "An act for the temporary relief of water users on irrigation projects constructed and operated under the reclamation laws," approved April 1, 1932; to the Committee on Irrigation and Reclamation.

By Mr. BINGHAM:

A bill (S. 5199) to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress; to the Committee on Agriculture and Forestry.

PROPOSED FAIR TRADE LEGISLATION

Mr. BULKLEY. Mr. President, it appears that there is some hope that the Senate may give early consideration to the so-called fair trade bill, S. 97. By this measure it is proposed to restore to producers and distributors of trade-marked products the liberty of contract as to resale prices, of which they were deprived in 1911 by a decision of the Supreme Court in the Doctor Miles Medical Co. case.

At that time as a member of the Committee on Patents of the House of Representatives I became interested in the principles involved in resale price maintenance. I have never found any reason to change the view that I then adopted in accord with the dissenting opinion of Mr. Justice Holmes in the Miles case. It seems appropriate at this time to bring to the attention of the Senate an excerpt from that dissenting opinion which clearly states the principles involved in the discussion. I quote:

> There is no statute covering the case. There is no body of precedent that by ineluctable logic requires the conclusion to which the court has come. The conclusion is reached by extending a certain conception of policy to a new sphere. On such matters we are in perilous country. I think that at least it is safe to say that the most enlightened judicial policy is to let people manage their own business in their own way unless the ground for interference is very clear. What, then, is the ground upon which we interfere in the present case? Of course, it is not in the interest of the producer. No one, I judge, cares for that. It hardly can be in the interest of subordinate vendors as there seems to be no particular reason for preferring them to the originator and first vendor of the product. Perhaps it may be assumed to be the interest of the consumers and the public * * * I see nothing to warrant my assuming that the public will not be best served by the company being allowed to carry out its plan. I can not believe that in the long run the public will profit by this court permitting knaves to cut reasonable prices for some ulterior purpose of their own, and thus to impair, if not destroy, the production and sale of articles which it is assumed to be desirable that the public should be able to get.
>
> The conduct of the defendant (the price cutter) falls within a general prohibition of the law. It is fraudulent and has no merits of its own to commend it to the court. An injunction against a defendant dealing in nontransferable round-trip reduced-rate tickets has been granted to a railroad company upon the general principles of the law protecting contracts and the demoralization of rates has been referred to as a special circumstance in addition to general grounds. * * * I think that the importance of the question and the popularity of what I deem mistaken notions makes it my duty to express my view in this dissent. (Dr. Miles Medical Co. *v.* Park & Sons Co., 220 U. S. 409.)

It should be noted that in flatly stating, "There is no statute covering the case," Mr. Justice Holmes took direct issue with the majority's application of the Sherman Law.

Another very brief and clear statement of the principle involved in S. 97 occurs in the decision of the New Jersey Court of Chancellery in the case of Ingersoll against Hahne, decided August 24, 1919, which I quote:

> The proofs before me demonstrate that if defendant and others are permitted to pursue their practice of price cutting the business of complainant will be ruined, and thereby the volume of inter-

state trade be reduced, or a method of distribution will have to be adopted which will greatly increase the price to the consumer, which will necessarily result in reducing the volume of interstate traffic; that in either event competition will be effectively reduced. And to what purpose? So that retailers may make use of the trade name and good will established after extensive advertising to the extent that the public have associated with the article a standard value, to fool the public into a belief that because a standard-priced article can be sold at a cut price all other goods are sold similarly low priced; in other words, to defraud the public. (Ingersoll *v.* Hahne, 89 N. J. Eq. 332.)

I desire also to call attention to a statement made in 1915 before the House Committee on Interstate and Foreign Commerce by Mr. Justice Brandeis, at that time a member of the Boston bar:

A man must start out in business some way. He has certain liberties guaranteed to him by the Constitution which should be protected by the laws of the land, and one of them is liberty of contract. The liberty of contract, however, guaranteed by the Constitution, is not absolute; it is subject to the police power of the Federal Government, either as applied by legislation or by limitation in other ways. The law has a right to step in and should step in so far—and only so far—as liberty of contract is used to the injury of the public. I say that the right of the individual to fix a resale price for his goods is consonant with the public interest.

The thing the Supreme Court was passing on was not a thing involving legal erudition. If the court had followed what other courts had said on this subject, it would have decided the other way. It merely exercised its judgment as to what the interests of the country demand and made its interpretation as to what Congress intended by the Sherman Act.

The fact that the Supreme Court by a 5-to-4 decision in the Sanatogen case says that such a contract is in restraint of trade does not prove that such a business practice does actually restrain trade. That decision proves only that such is the law of the Federal courts until that court reverses its decision, or Congress, which has the supreme power of declaring the law in this respect, says otherwise. It is Congress which must ultimately determine questions of economic policy in matters of interstate commerce.

The Supreme Court has the right to determine what is public policy in a limited number of cases as long as Congress has not declared what it is. The Supreme Court has, in passing upon this quasi legislative question, made what I respectfully submit is an error, and if so, it is the duty of Congress to correct that error.

The court merely expresses its opinion that such agreements are against public policy and that it believes Congress intended to prohibit them when it enacted the Sherman law. I submit most respectfully that this is a most erroneous supposition. There is nothing against the public interest in allowing me to make such an agreement with retail dealers. The public interest clearly demands that price standardization be permitted.

There is no reason why five gentlemen of the Supreme Court should know better what public policy demands than five gentlemen of the Congress. In the absence of legislation by Congress the Supreme Court expresses its idea of public policy, but in the last analysis it is the function of the legislative branch of the Government to declare the public policy of the United States. There are a great many rules which the Supreme Court lays down which may afterwards be changed and are afterwards changed by legislation. It is not disrespect to the Supreme Court to do it.

The American principle is that a man has a right to do anything he pleases with the article he buys unless he has an agreement with the man from whom he bought it that he shall do something else.

There is no constitutional question involved. The only question is, "What does the general interest of the community demand?"

What I say is this: Such a restriction upon individual liberty, instead of being beneficial, is harmful, and therefore Congress in its wisdom ought to correct the error.

There are certain liberties we have found by experience it is wise to curtail. But wherever you do not have to curtail liberty, wherever the exercise of full liberty by a business man is consistent with the public welfare, public policy demands that we should allow him that liberty, because freedom is the fundamental basis of our Government and our prosperity.

The object here is to restore the individual right to make a legitimate contract. * * * What is being asked for here is not any privilege at all, it is a measure to restore a right commonly enjoyed in the leading commercial States of this country, which the leading commercial countries of the world enjoy as a matter of course, and which was abridged in respect to interstate commerce by certain decisions of the Supreme Court.

And finally I want to submit a brief quotation from the excellent report of the House Committee on Interstate and Foreign Commerce on the fair trade bill, H. R. 11, in the Seventy-first Congress:

In a memorandum of the Federal Trade Commission dated December 12, 1927, with regard to investigations made by it, it is stated as follows:

"The question of resale price maintenance is one of the most troublesome with which the commission has to deal in the present state of the decisions. The early Federal cases trace the principle to a passage in Coke on Littleton dealing with restraints on alienation. Courts, in attempting to apply these ancient principles, have fallen into hopeless confusion. Orders of the commission, issued under its organic act, have been upheld in some circuits and set aside in others on almost undistinguishable states of fact.

"And in a recent opinion in a case before the sixth circuit court of appeals, namely, the Toledo Pipe Threading Machine Co. against the Federal Trade Commission, decided in March, 1926, Judge Denison said that in his opinion, 'The state of the law as to price maintenance may rightly be said to be in a confusion.'"

In view of the above statements and by reference to the proposed bill it will be seen that substantially what is accomplished by the bill is to restate the principle of the common law and to restore liberty of contract so far as the Sherman Act interferes with that liberty in the special class of cases covered by the bill.

The necessity for new legislation must be apparent. We have the statement of Judge Denison of the circuit court that the state of the law "is in confusion" and the statement of the Federal Trade Commission that it "is in hopeless confusion." Under these conditions it is the duty of Congress to act, and, in the public interest, to act quickly.

This is a major problem. It involves a menace to the consuming public—the menace of concentration of control in merchandise distribution. It involves a threat to destroy, through unfair competitive methods, the business lives of at least a million and a half of independent merchants.

It may surprise many that in free America we should be compelled to legislate in order to restore to business men what is and has always been an unquestioned right in all other leading commercial countries of the world. As has been shown, this necessity for legislation is not due to legislative error by the Congress but to judicial application of the Sherman Act, and to judicial interpretations of the law, in a manner never intended by Congress.

I hope an early opportunity may be provided for consideration of S. 97, one of the most constructive measures before us.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 4023. An act providing for the closing of barber shops one day in every seven in the District of Columbia; and

S. 4123. An act to amend the District of Columbia traffic acts, as amended.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. TYDINGS. Mr. President, in listening to the debate on the question of Philippine independence, I have reached the belief that all Senators are now of the opinion that a bill should be passed carrying that idea into effect. The question, therefore, has been boiled down primarily to one of time, or, in other words, what length of time should elapse between the granting of independence in a bill and its actual consummation following the passage of the bill. One school of thought adheres to the opinion that the quickest possible time is seven years. The committee has held the view that this is too short a period of time to make independence effective and stable. I have a few figures, which it will not take me more than 10 or 15 minutes to present, which, I believe, are wholly accurate, and when they are understood it appears to me that no Senator can well maintain that a term of seven years is a proper period in which to confer complete independence upon the Filipinos.

First of all, the Filipinos are now operating on an annual budget of 40,000,000 pesos, or about $20,000,000 a year. I find that they owe to the people of the United States, through the instrumentality of debts or bonds floated in this country, $100,000,000, in round numbers.

Mr. DILL. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Washington?

Mr. TYDINGS. I should prefer to finish the statement, if the Senator will permit me to do so.

Mr. DILL. But I want to understand correctly the Senator's statement.

Mr. TYDINGS. Very well.

Mr. DILL. I was shown this morning the report of the Department of Insular Affairs, which sets forth that the bonded debt of the people of the Philippine Islands is $66,000,000.

Mr. TYDINGS. I am coming to that in the next sentence.

Mr. DILL. But the Senator just said their indebtedness was $100,000,000.

Mr. TYDINGS. Yes; but the Senator did not give me a chance to finish my statement. The Filipinos owe $100,000,000, of which they have $35,000,000 in a sinking fund, making a net obligation of $65,000,000 now owing; in other words, one of the conditions of this bill is that they shall pay the $65,000,000 which is remaining upon their $100,000,000 of obligations owed to the people of the United States. Their total annual budget is only $20,000,000. In order to pay off the $65,000,000 in seven years it would require one-seventh of $65,000,000 or, roughly, $10,000,000 a year, which they would have to take out of their annual revenues to liquidate the debts now owing to the people of the United States and to be in a position to comply with the provisions of the bill.

Mr. KING and Mr. BROUSSARD addressed the Chair.

The VICE PRESIDENT. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I shall yield in a moment. If the annual budget of the Filipinos is predicated upon revenues of $20,000,000 a year, which is now the case, they will be compelled by this bill to take $10,000,000 of those revenues which are now being used for other purposes to pay off these debts to the United States. It occurs to me that that fact alone should bring to the minds of Senators the absolute impossibility of the Filipinos, being in a position to comply with the condition.

However, the question does not stop there; the proposition is not so limited. At this time they are exporting to this country about 90 per cent of their entire exports, but at the conclusion of the period of seven years our tariffs will operate against those exports. They will then be forced either to overcome those tariff barriers or to find markets in other countries for the goods which they now sell to us in superabundance.

Therefore, faced with a decline of revenues as a result of the passage of this bill on one hand, and faced with the mandate to pay off the $65,000,000 worth of indebtedness on the other hand, with an annual budget now of only $20,000,000, I do not believe that any Senator will conclude that it is humanly possible for those people to do what it is proposed we shall compel them to do in order to achieve independence in the period of seven years.

Mr. KING. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Utah?

Mr. TYDINGS. I yield to the Senator from Utah.

Mr. KING. Mr. President, I ask the Senator—my memory is not quite clear in respect to the matter—if it is not a fact that there is a very large fund, between twenty-five and forty million dollars, owned by the Filipinos and now in the United States, available to meet the obligations due to those who hold Philippine bonds?

Mr. TYDINGS. The Senator from Utah is correct. I have just stated that the total Philippine debt is $100,000,000 and that the Filipinos have a sinking fund of $35,000,000, leaving $65,000,000 of the debts owing American investors unprovided for, and that they will be compelled under this bill to pay off those debts in a period of seven years, which would require, with interest, in round numbers, $10,000,000 a year. Their total budget is only $20,000,000 a year, and, therefore, they would have to take $10,000,000 out of their annual revenues, 50 per cent of their annual revenues, in order to discharge this one condition alone; and at the same time they would be faced with a curtailment of the American market, the absolute loss of the American market, after seven years, and forced by necessity to look to other places for the sale of their products, 90 per cent of which now come to the United States. It is practically impossible for the Filipinos to achieve independence under such a set-up.

Mr. KING. Mr. President, will the Senator yield to me?

The VICE PRESIDENT. Does the Senator from Maryland yield further to the Senator from Utah?

Mr. TYDINGS. I yield.

Mr. KING. I was going to ask the Senator if it would not be possible for the Philippine government, when it should become independent, to fund or refund its indebtedness—assuming that the Senator is right and it must be paid in seven years—as other nations are doing and as the Government of the United States is compelled to do?

Mr. TYDINGS. While that would be entirely possible, I know the Senator is fair enough to recognize that, with the propaganda that has gone out, it would be very difficult, indeed, for the Filipino government, which is yet to become a government, to fund an obligation, certainly in this period of depression.

Mr. BROUSSARD. Mr. President, will the Senator from Maryland yield to me?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Louisiana?

Mr. TYDINGS. Yes; I yield gladly; but if Senators would let me make my presentation, I should prefer to do that and to yield afterwards.

Mr. BROUSSARD. Would not the Senator like to have his attention called to a statement with which I disagree?

Mr. TYDINGS. Yes.

Mr. BROUSSARD. I think the statement is not well founded.

Mr. TYDINGS. Very well.

Mr. BROUSSARD. How does the Senator make the period seven years?

Mr. TYDINGS. It is eight years, I think.

Mr. BROUSSARD. It is eight years, but it will take over a year to adopt the constitution, and that will make nine years.

Mr. TYDINGS. Yes; but the mandate of the bill is to start to apply, of course, at once.

Mr. BROUSSARD. But it will be nine years at least before independence will be achieved.

Mr. TYDINGS. Yes.

Mr. BROUSSARD. Let me ask another question.

Mr. TYDINGS. I hope the Senator will let me finish.

Mr. BROUSSARD. If the bill does not provide for taking care of the obligations of the Philippines, then it should be amended in some proper way, but my impression is that it does so provide.

Furthermore, the Senator fails to take into consideration the fact that they will have the right to tax the enormous quantity of American goods which the proponents of a long intervening period before independence claim are imported into the Philippines free of duty.

Mr. TYDINGS. Let me put a few more colors on the canvas of this impossible picture. First of all, the Filipinos are exporting 95 per cent of all the hemp they produce in the islands, and over half of it now comes to the United States. They are exporting 90 per cent of all the sugar they raise in the islands, and practically all of it comes to the United States. They are exporting about 100 per cent of their dry copra to the United States; they are exporting about 75 per cent of their tobacco to the United States; they are exporting about 10 per cent of their lumber to the United States. Of their total exports 92 per cent comes to the United States—that is, of those commodities which are protected by our tariff act—and 48 per cent of the commodities upon which no tariffs are levied by the United States likewise come to this country.

Senators, with a budget now of $20,000,000 with which to run the affairs of the Philippine Islands, confronted with the necessity of placing $10,000,000 a year in a sinking fund to liquidate the debts now owed to the American people, or 50 per cent of their total budget, and faced, on the other

hand, with a complete loss in seven years of 90 per cent of their export market, how in the world can they get the money with which to operate, and how in the world can they arrange their affairs so that the new government will endure when the Philippines shall obtain independence?

If you, Mr. President, were running a cotton mill, if you were running a city, if you were a governor of a State, or the President of this Nation, and were asked, on the one hand, to assume new obligations equivalent to one-half of all your revenues over a period of seven years, and confronted, on the other hand, with a reduction of those revenues, you would say the conditions were impossible. But, lo and behold, such a state of affairs is being enforced upon a country about which until recently there was much debate as to their ability to govern themselves. I venture to say that the United States Government, confronted with conditions contained in this bill, to be worked out over a 7-year period, could not endure, with all its resources, in the face of such obstacles as we have set up here. What will happen? At the end of eight years there will be a period of absolute stagnation in the Philippine Islands.

British capital is invested there; Spanish capital is invested there, and about—I have forgotten the amount, but I think about—$100,000,000 of American capital are invested there. What will be the result? Riots will break out, revolution may happen, and then we will have to intervene and go over the long road again, perhaps, to Filipino independence. There will have been placed upon the record of these people a blot for which they will be in no way responsible because of a condition which no government or group of governments could surmount, and they will be charged in popular opinion as being incapable of governing themselves because we forced them to be incapable of governing themselves.

Mr. DILL. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from Washington?

Mr. TYDINGS. Yes; I yield.

Mr. DILL. I want to ask the Senator why it is necessary to provide that the Philippine Islands shall pay their debt in seven years, when we gave to European countries 63 years in which to pay their debts?

Mr. TYDINGS. That is a very apt question; but may I say to the Senator from Washington that under the committee amendment we do not compel them to pay their debts in seven years.

Mr. DILL. But the Senator's argument is based upon the assumption that they must pay in seven years.

Mr. TYDINGS. Because that is so under the amendment which was offered by the Senator from Louisiana and which has been adopted by the Senate.

Mr. DILL. That amendment provided for independence in eight years.

Mr. TYDINGS. But all these conditions must be fulfilled.

Mr. DILL. I am asking the Senator why it is necessary that we require the new Philippine nation, that has been a part of our own country, to pay its full debt to the United States in eight years—instead of seven it is eight——

Mr. TYDINGS. It is eight.

Mr. DILL. While we gave to European countries 63 years after we canceled half of what they owed us.

Mr. TYDINGS. Because after long and careful hearings before the Committees on Territories, both sides being represented, both the American investors, the American Government and the Filipino people, it was agreed to pay off in full the money which they owed to the investors in this country, namely about $65,000,000 remaining. That agreement was incorporated in the bill, and such time was provided as would enable the Filipino people to make good this condition.

Mr. DILL. Now I want to call the Senator's attention to the report of the Bureau of Insular Affairs for 1932. On page 38 I find the statement that the amount of the outstanding indebtedness of the Philippines is $66,000,000. There is nothing said here about any sinking fund at all. In that connection I call attention to the report of the Philippine delegates to the House Committee on Territories that the Philippines have on deposit in the United States $61,000,000, an amount equivalent to 15 per cent of their currency being protected, which would leave them about $50,000,000. I want an explanation of the figures.

Mr. TYDINGS. Let me say to the Senator as to his first question that the amount of bonds floated by the Philippine government in the United States was, in round numbers, about $100,000,000.

Mr. DILL. This report says $81,000,000.

Mr. TYDINGS. I am going to correct that in a moment. There are $100,000,000 of American-owned obligations of the Philippine government and its political subsidiaries, all of which are guaranteed by the Philippine government. For example——

Mr. DILL. Let me say to the Senator——

Mr. TYDINGS. The Senator from Washington will not allow me to complete the statement.

Mr. DILL. I want the Senator to give me his authority——

Mr. TYDINGS. I am coming to it just as fast as I can.

Mr. DILL. I want the Senator to give me his authority for his statement in view of the statement of the Bureau of Insular Affairs.

Mr. TYDINGS. That is what I am trying to do.

Mr. DILL. I should like to have the Senator's authority for the statement he is making.

Mr. TYDINGS. Every political subdivision in the Philippine Islands has its bonds guaranteed by the Philippine government, whereas in our country the bonds of the State of Maryland are not guaranteed by the Federal Government. In other words, the total obligations of the Philippine government and those guaranteed by the Philippine government are roughly $100,000,000.

Mr. DILL. What is the Senator's authority for that statement?

Mr. TYDINGS. The law. That is the law.

Mr. DILL. The law does not say "$100,000,000."

Mr. TYDINGS. The law compels the Philippine government to guarantee the bonds of its subsidiary or political subdivisions.

Mr. DILL. If the Senator will permit me to read to him from the annual report of the War Department Bureau of Insular Affairs, I will do so.

Mr. TYDINGS. That deals only with the national obligations.

Mr. DILL. Let me read what it says:

The following statement shows the bonded indebtedness of the Philippine Islands and of its Provinces and municipalities.

What else is there in the Philippine Islands that is guaranteed besides the Provinces and the municipalities? Then the figures I have quoted are set out—$81,000,000 of bonds having been issued and $66,000,000 still outstanding.

That is the authority I quote. What authority does the Senator quote to override that?

Mr. TYDINGS. I have not it available right here, and of course I can not recall; but, even assuming that the Senator's figures are right and mine are wrong, by turning to the next page he will see that the amount of the sinking fund is only $21,000,000, which would leave, roughly, $60,000,000 still outstanding.

Mr. DILL. No; $60,000,000 with $20,000,000 off would be $46,000,000.

Mr. TYDINGS. No; the Senator must take that off the $80,000,000.

Mr. DILL. No; the amount outstanding, unpaid, is $66,000,000, as shown on page 38.

Mr. TYDINGS. No; the Senator will find that $81,000,000, in the first column, is the amount of bonds issued.

Mr. DILL. Yes; and $66,000,000 unpaid outstanding.

Mr. TYDINGS. That is what I am saying. The sinking fund, subtracted from the amount outstanding, leaves $66,000,000 still owing.

Mr. DILL. Nothing is said about a sinking fund here.

Mr. TYDINGS. If the Senator will turn to page 40, the following page, he will see the sinking fund set out in detail.

Mr. PITTMAN. Mr. President——

Mr. DILL. Before I leave that, I want to know what the Senator has to say about the $50,000,000 on deposit in Government depositories of the United States, over and above the requirement of 15 per cent of the circulation?

Mr. TYDINGS. The Senator must realize that the Filipinos have their own money.

Mr. DILL. But the Senator is talking about their ability to pay, and I want to get this clear. The Senator was wrong $40,000,000 on the amount of indebtedness. I want to see whether he is correct in his other statement that there is not any money to pay it except the revenue.

Mr. TYDINGS. No; the Senator from Washington was wrong. Assume that there were $40,000,000 of indebtedness: As a matter of fact, there is $66,000,000, which the Senator will ascertain by subtracting the sinking fund from the very amount of bonds which he himself mentioned.

Mr. DILL. I only have the report to which I have referred.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Maryland yield to the Senator from Nevada?

Mr. TYDINGS. I yield to the Senator.

Mr. PITTMAN. I simply desire to call attention to the fact that the Senator from Washington [Mr. DILL] has either failed to notice the word "net" there, or, if the word "net" does not appear there, it does appear in the Commerce Reports.

In the Commerce Reports on the indebtedness of the Philippine Islands as of December 31, 1930—I think those were the last figures——

Mr. DILL. This is June 30, 1932, I may say to the Senator.

Mr. PITTMAN. I am only calling attention to the language in the Commerce Reports. The total net bonded indebtedness as of December 31, 1930, was $60,468,000. The sinking fund was $32,000,000. When we add the $32,000,000 to the $60,000,000 we have the gross bonded indebtedness as of 1930, but we have the net amount when we subtract the money they have on hand to pay; so there is very little difference between the Senator from Maryland and the Senator from Washington.

Mr. DILL. I call the Senator's attention to the fact that this report is two years later than his report.

Mr. PITTMAN. Yes; but if it uses the word "net," then by taking that out of the sinking fund, by subtracting it from the gross, we arrive at the net amount.

Mr. TYDINGS. Let us assume that either one of these sets of figures is the accurate one. The point I want to make is that there are roughly sixty-five or sixty-six million dollars which, according to the terms of this bill, must be paid off by the Philippine government before independence can be accomplished.

Mr. BLACK. Mr. President, will the Senator yield to me?

Mr. TYDINGS. Yes, sir.

Mr. BLACK. I desire to ask the Senator a question on that line.

I am very much interested in the Senator's statement that under the terms of this bill the Filipinos are compelled to pay this indebtedness in order to obtain independence. I am against that feature of the bill. I should, therefore, like to have a direct reference to it so that at the proper time I can offer an amendment to strike it out.

I am still in favor of giving a period not of seven years but of five years; and the mere fact that the bill provides that they must make this payment within that time, in my judgment, is not an argument against quicker independence but is an argument for taking it out. Therefore, I wanted to get a reference to it so that I might ask to strike it out.

Mr. TYDINGS. The Senator's observation is a very fair one. May I say to him that there were many members of the committee who likewise felt as the Senator feels; and the reason why that provision was put in the bill was that the Filipino people wanted, as a matter of complete independence, to put themselves in a completely liquid position to the mother country, so to speak; and they themselves advocated writing in this provision, asking only that sufficient time be given to them to make the independence of the Philippines complete. As all of their obligations were floated in the United States, they felt that they were in the nature of advances to the people of the Philippines, notwithstanding they came from our citizens here rather than from our Government; and in order to show that they appreciated all the help that it generously extended to them, had taken it up and had paid it off and put themselves in a completely independent position, they acquiesced in this proposition. That is the reason why it is in the bill.

May I say to the Senator that, just and generous as his observation is, the committee did not put the provision there over the protest of the representatives of the Philippines themselves, but they put it there with their consent. If the committee had not had their consent, the provision would not have been in the bill.

Mr. BROUSSARD. Mr. President, will the Senator yield to me?

Mr. PITTMAN. Mr. President, as one member of the committee who assisted in the preparation of this provision that during the 5-year step-up in tariff the Philippines shall have a right to put an export duty on certain exports to the United States, I desire to say that the reason I voted for it in the beginning may have been different from the reasons of others, but, at any rate, it was this:

The Philippines are not permitted at the present time to raise any revenue through tariffs, and under existing law they will not be permitted to raise any revenues through tariffs until they are independent. When they get independence they will have no revenues with which to meet the payment of outside debts unless a sinking fund of sufficient amount is provided. They have a tariff as against importations from other countries than the United States, but when we realize that the imports into the islands are nearly all from the United States we can see that that revenue is very small.

If we should give the Philippines the right to change their tariff laws—that is, to lower their tariff walls as against other countries, and to place them against us—they would be raising a revenue during the period of time before they are freed; but we could not help but look with fear upon a government being freed after a period of eight years, and during that time being restricted in their power to raise revenue to meet their foreign obligations; and there is no law providing for that.

Consequently, there were two reasons for a tariff step-up as Senators know. One was to let the people of the Philippines get used to a tariff. The other was a more important reason, as far as I am concerned, and that was to give them some way of raising revenues from customs duties before they were thrown against the world's tariffs.

Mr. TYDINGS. Mr. President, may I interrupt the Senator from Nevada before the Senator from Washington [Mr. DILL] leaves the floor? I was about to make an answer to one of his questions, but was not certain, and since I have had a little opportunity to look up the matter I have secured the information.

The amount of money which is on deposit in the United States—I think it is around $50,000,000——

Mr. DILL. This report says it is $61,000,000.

Mr. TYDINGS. Whatever it is, that money was put here in pursuance of a law of Congress which compels the Philippines to put a guaranty fund back of their currency before they can issue it.

Mr. DILL. But only 15 per cent of their circulating medium is required. They have only $54,000,000 circulating, so that would take only about $8,000,000.

Mr. TYDINGS. I am not in position to answer the Senator fully; but I can say, and I think it is substantially accurate, that that entire sum of money in one form or

another is deposited in this country as a result of the requirements of acts of Congress requiring the Philippines to have deposits here against which they may issue currency.

Mr. DILL. I do not know about other acts, but I know they are required to keep 15 per cent of their circulating medium on deposit here.

Mr. TYDINGS. Maybe they keep a larger amount.

Mr. DILL. They have $54,000,000 in circulation, so that 15 per cent of that would be about $8,000,000.

Mr. TYDINGS. We have the same situation here. We are required to have a 40 per cent gold reserve, and we have 70 per cent.

Mr. DILL. Then there would be $53,000,000 excess in this country that could be considered in connection with the bonded indebtedness we have been talking about

Mr. BROUSSARD. Mr. President, will the Senator yield now?

Mr. TYDINGS. Let me finish. I am getting away off on these other matters. All that I really rose to call to the attention of the Senate was this:

There is no government possible, white or black, Anglo-Saxon or Malay, that can discharge the provisions of this bill in seven years. It can not be done; and if we compel the Philippine government to do it, in my humble opinion at the end of seven years we will find chaos in the Philippine Islands, necessitating the landing of troops there by the interested parties where there is capital invested, and we will walk this long road all over again. More than that, it may be the spark that will touch off the powder magazine in the east; and we ought not to walk into that situation without giving ample time to prevent it, if possible.

Mr. BROUSSARD and Mr. LONG addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Maryland yield; and if so, to whom?

Mr. TYDINGS. I yield first to the senior Senator from Louisiana. Then I will yield to the junior Senator.

Mr. BROUSSARD. First of all, Mr. President, the bill provides for a period of 8 years, and it will take fully 2 years to adopt a constitution, so it is really a total of 10 years hence.

Referring to the question propounded by the Senator from Alabama [Mr. BLACK], I wish to refer him and the Senator from Maryland to subdivision (g) on page 22 of the bill, which says:

> The debts, liabilities, and obligations of the present Philippine government, its Provinces, municipalities, and instrumentalities, valid and subsisting at the time of the adoption of the constitution, shall be assumed and paid by the new government.

How does the Senator arrive at the conclusion that this bill requires them to pay in seven years?

Mr. TYDINGS. The bill says these debts shall be paid by the new government, and the new government will certainly be in being.

Mr. BROUSSARD. It says they shall be "assumed."

Mr. TYDINGS. Assumed, of course.

Mr. BROUSSARD. The indebtedness is to be "assumed," not "paid."

Mr. TYDINGS. Oh, no; the condition there is that it shall be paid. That was the understanding of the committee, whatever the language is.

Mr. BROUSSARD. The language of the committee is, "shall be assumed."

Mr. TYDINGS. I do not wish to be diverted, Mr. President.

Not alone have we that condition, which is only one of the factors in this whole situation, but how in the name of common sense this country is going to find a market for its goods I should like some one to explain. If we put the tariff on sugar as we now have it, the cost of the freight and the tariff is more than the price of the sugar now; and therefore they could not ship sugar into this country, which at once strikes at their very largest field of exports. In seven years they will be compelled to displace this entire market and find a new market, or they will have all these fields producing sugar and no place beneath the heaven in which they can sell it.

Then there are other factors: First of all, the Philippines purchase, may I say, one-third of all the cotton textiles which we export from this country. They are a large buyer of many other kinds of our production, machinery particularly. As we say good-by to this relationship, are we going to slap them in the face and undo in a bill what was accomplished by the expenditure of the treasure, the blood, the sacrifice, the guidance, and the helpfulness and the good will which we have extended and built up over a period of 30 years?

Mr. WALSH of Montana. Mr. President, will the Senator yield?

Mr. TYDINGS. I yield.

Mr. WALSH of Montana. I was likewise troubled, upon a study of this bill, in an effort to discern any provision in it which required these debts to be paid within the period of seven years. It is true that there is an obligation that the new government shall assume all liabilities of the existing government of the Philippines; but that is always the case when one government succeeds another and never implies an immediate payment. When the Constitution of the United States was adopted, there was provision that the new government should assume all debts and obligations of the Confederation, but that did not mean that the United States was to pay those debts before the Constitution went into force and effect. When a new State is admitted into the Union, it is always provided that the State shall assume all liabilities of the Territorial government, but, of course, that does not mean that they must be immediately paid.

Mr. TYDINGS. Yes; but the Senator leaves out the very important fact that by act of Congress these Filipino bonds were made negotiable for bank notes in the United States, and consequently I, as a holder of one of the bonds, bought it with the knowledge that the Federal Government of this country had given it a certain standing in a financial way. If these debts are assumed by the Filipino government, that stability is lacking in the new bonds, and I, as a bondholder, would refuse to surrender my old bonds.

Mr. WALSH of Montana. That may be; but no provision has been made for that situation by the bill here. All that is provided by the bill is that the new government of the Philippine Islands shall assume all obligations of the present Philippine Government.

Mr. TYDINGS. Obviously no bondholder is going to surrender his bond until he gets one as good as the one he now holds.

Mr. WALSH of Montana. That may be; but it has not been provided that he shall or that he shall not. All that is provided in the bill is that the new government shall assume all those obligations.

Mr. TYDINGS. How would the new government be able to assume them without paying them off?

Mr. WALSH of Montana. If I assume an obligation for some one else, I do not necessarily pay it off; I simply become obligated to pay it off.

Mr. TYDINGS. I do not follow the Senator, because in this case the United States Government itself has underwritten these bonds.

Mr. WALSH of Montana. The point I am making is that the bill does not provide for the payment of the bonds within the period of seven years.

Mr. CUTTING. Mr. President——

The VICE PRESIDENT. Does the Senator from Maryland yield to the Senator from New Mexico?

Mr. TYDINGS. I yield to the Senator from New Mexico, who knows more about that point than I do.

Mr. CUTTING. I call to the attention of the Senator from Montana the fact that on top of page 31 of the unofficial print he will find that all funds received from the export taxes shall be placed in a sinking fund and applied "to the payment of the principal and interest on the bonded indebtedness of the Philippine Islands, its Provinces, municipalities, and instrumentalities, until such indebtedness has been fully discharged."

It has been figured out that this fund will be quite sufficient to discharge the indebtedness of the Philippine gov-

ernment some time before the expiration of the term provided in the bill. If the Senator from Maryland will yield to me for a moment further, I should like to say that the point of paying the bonds was not primarily to assist the bondholders but was primarily to start the Philippine Islands Republic with a clean slate so far as indebtedness was concerned.

In the second place, the payment of these bonds has been repeatedly stated to be a moral obligation of our Government. It was so stated by Secretary Knox, and by other Government officials. The bonds have had a privileged status at all times. If that is a moral obligation on the Government of the United States, it seems to me that that obligation must be fulfilled before we give the Philippines independence, rather than afterwards, because we can not have a moral obligation which we are totally unable to carry out.

Mr. WALSH of Montana. Mr. President, let me remark that that might be a good reason why the bill should so provide, but the question now presented is, Does it so provide?

Mr. CUTTING. Yes, Mr. President; under the provision which I read, I think the language is adequate.

Mr. TYDINGS. Mr. President, while the Senators are looking that point up, if I may be allowed to go on, I will take only five more minutes, and then I will have finished.

May I say that, over and above the question of Filipino independence, there is another question which has received all too scant attention here, and that is the question of the effect of Filipino independence in the Far East, where already there is a great deal of trouble brewing.

We know what has recently happened in Manchuria. We realize what has happened in India, and is happening there. Therefore, to throw in another spark of disorganization, to permit a situation in the Philippine Islands to come into being which would weaken the stability and the law and order of that country is something which, in my judgment, is one of the very major factors in this whole situation. Therefore, if a period of seven or eight years may precipitate that lack of stability, is it not better, in the interest of world comity and peace and good will, and in the interest of order in the Orient, that we should add two or three years, and make sure that this young nation, just starting on the pathway of nationhood, will be strong enough to walk on its international legs, before we let go of its hand for the last time? Can we afford to gamble with the 7-year period, even if the 7-year period is enough, so long as there is a reasonable question about that being a sufficient length of time?

In my judgment, we should make sure, above every other thing, that when we say good-by to the Philippine Islands, that they are in a position to maintain themselves; and to turn them loose without feeling that assurance would be the most ungrateful act we could possibly perform, in view of their long and splendid advancement during the past 30 years, upon which record there has been no blot whatsoever.

If the provisions of this bill are not carried out, through lack of time, I want to say now that disorder, chaos, unemployment, rioting, and perhaps revolution, will break out in the Philippine Islands, and when that happens, we will feel that we were somewhat responsible for it, that we did not treat this nation fairly. There will be advocates of new intervention. Other countries may want to intervene. We may be compelled to intervene, and when we do, we will bring down upon ourselves consequences which we should strive in every way to avoid.

Now is the time to prepare against that contingency, not when it happens. I respectfully submit again, in conclusion, that to compel this nation, as I supposed the bill did, and certainly it was our intention that it should do, to pay off these $66,000,000 worth of obligations to citizens of this country in a period of eight years, with a national income at the moment of only $20,000,000 a year, which is all the Filipino people have, and to take nearly all their export trade away from them at the end of eight years, without giving them new trade in place of it, is to invite the most serious consequences.

I therefore entreat the Senate to reconsider the short period of time which we wrote into the bill a few days ago, to vote for the motion to reconsider, so that we can bring other amendments before the Senate, perhaps not giving the length of time originally set forth in the bill, perhaps a shorter length of time, but sufficient time, in any event, so that we may conclude our arrangements with the Filipino people without having been dishonorable or ungrateful, and with no lack of that friendship toward them about which we frequently beat our breasts, and to which we have pointed with such pride and justification in our past dealings with those people.

Mr. METCALF. Mr. President, I want to compliment the sponsors of the pending bill for the fair way in which they studied the bill. They were open to suggestions, they studied all the points, and they brought in what I believe to be a just and fair bill.

The statements of nearly all the Presidents in regard to the Philippines have been put into the RECORD, but I can not find that the remarks of my friend the distinguished Senator from Mississippi [Mr. HARRISON] in regard to that subject have been inserted.

We have obligations in the Philippines, and they must be observed. We can not afford, guardian as we are of the Philippine people, to alter our revenue laws in such a policy as will destroy the industries of the islands. Whatever is done toward their independence must be done sanely and with the idea of giving them every opportunity and time to adjust their fiscal policies to meet our altered policy.

That was the stand which the committee took. Of course, there has been a very strong lobby against this bill. I hold in my hand a newspaper advertisement of last Sunday signed "A Cuban Taxpayer." The idea is that if we shut out sugar from the Philippines, then there would be more opportunity for Cuban sugar to come in.

Mr. President, we have no quarrel with the Cuban taxpayer. We all feel for any taxpayer; we are having a hard enough time in our own country paying taxes. When one considers how the committee tried to be fair to all; that only 12 per cent of the sugar used in this country comes from the Philippines; that only 20 per cent is grown in our own country; that 24 per cent comes from our other islands—44 per cent from Cuba—when we consider that 12 per cent comes, as it does, when the cane sugar and the beet sugar are not being marketed; when we consider that we have a trade of $80,000,000 or $90,000,000 with the Philippines, and how many thousand people are working whose products are going to the Philippines, and when we have a surplus of cotton and grain, why do we want to destroy part of the market for them? Do we not want more customers? Mr. President, I think we will make a great mistake, if we do not adopt the policy of the bill which has been so carefully studied and prepared and brought before us by the committee.

Emerson has said: "Be an opener of doors to those who come after you."

Mr. COPELAND. Mr. President, preliminary to what I have to say I ask that an editorial appearing in this morning's New York Herald Tribune be read from the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the clerk will read, as requested.

The legislative clerk read as follows:

[From the New York Herald Tribune, Thursday, December 15, 1932]

"THE PHILOSOPHY OF THE SENATE"

Unpleasant and humiliating as the spectacle is which the Philippine discussion is making of the Senate, the show descended yesterday to a bungle that the public can afford to welcome as "comic relief." In the anxiety that all hands are showing to do their worst by the Filipinos, a misguided sugar lobby amendment to the Hawes-Cutting bill was adopted, by a vote of 42 to 38, which not only reduced the trial period from 15 or more years to 8 but which eliminated the plebiscite provision from the Hawes-Cutting formula. Thus amended, the bill provided for the speedy ruin of the island sugar, cordage, and oil industries and for the unconditional alienation of the Philippines as well, without fur-

ther reference to the Filipinos. This was decidedly upsetting to the senatorial illuminati, who, like the ancient augurs, are in the habit of laughing in one another's face.

The amendment was no sooner passed than a number of those who had voted for it without reading it, because it was introduced by the Louisiana Senator who has confessed himself closest to the Cuban sugar interest, learned from Senator Hawes that "this vote absolutely kills the philosophy of the Senate." The careless innocents were naturally aghast. A sin against "the philosophy of the Senate" is an outrage which, it appears, the hardest old solon shudders to contemplate. It is like blowing out the vestal fire. At any rate, public contrition and confession came as swift sequels to the terrible Hawes indictment. Senator BULOW spoke for the delinquents. Alas, they had voted for they knew not what! Faith ill-placed had moved them; and, in the name of that all-but-unmentionable entity, "the Senate's philosophy," they humbly besought from their colleagues a chance to recant.

What Senator HAWES meant by "philosophy" was, of course, "conspiracy." His reference was to the understanding that exists within the ranks of the senatorial cognoscenti that the Philippine bill must be so tragically ruinous to the islands that the Filipinos themselves will, 15 or 20 years hence (by virtue of the plebiscite clause), reject independence; but that it will, in the meantime, establish a precedent of prohibitive and ruinous tariffs against Philippine industries which no American Congress will dare to violate. The attitude toward the Filipino of those who subscribe to this esoteric "philosophy" is "heads I win, tails you lose." To those who do not believe in the alienation of the islands the prophets of this "philosophy" give positive assurance that the Filipinos will, in the last instance, be so wretched economically that they will reject all thought of independence. To the lobbies they say that whether the Filipinos elect to stay with us or cut adrift, the Hawes-Cutting bill provides, meanwhile, for their lasting industrial alienation.

This is the "philosophy of the Senate," against which a number of those who assumed that the Cuban sugar lobby could not be wrong found, at a late hour yesterday, that Senator BROUSSARD's amendment was a clumsy and deplorable heresy. To-day's efforts to recover from this gaucherie will be worth watching.

Mr. COPELAND. Mr. President, after what happened yesterday, no Senator can be accused of talking too much. Certainly, that was a field day of oratory.

The matter before us is so tremendously important that it is to be hoped the Senate will pass a bill which will be as harmless as possible to the Philippine people. Personally I can not understand how anybody in these troublous times could think of throwing another stone into the turbulent pool of world-wide distress. To turn the Filipinos loose at this particular time of economic trouble would be fatal to their ambition. It might even embroil the world in another disturbance, as suggested by the Senator from Maryland [Mr. TYDINGS] a few moments ago.

Mr. BROUSSARD. Mr. President——

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I yield.

Mr. BROUSSARD. Does the Senator think if there is any possibility of trouble in the Orient that we should have a plebiscite 18 or 20 years from now and in the meantime delegate a certain sovereignty to a new government in the Philippine Islands without knowing whether or not it will be able to carry on?

Mr. COPELAND. I can hardly bring myself to give serious consideration to any feature of the pending bills. All of them are repulsive to me because they are violative of the Constitution, which we have sworn to support. I can hardly bring myself to discuss their provisions.

Yesterday on two occasions when the roll was called I voted "present." That action does not indicate that I have no conviction regarding what "philosophy" should prevail. But I am so convinced that the whole system—the entire proposal—is wrong, is unconstitutional, is unlawful, that I could not bring myself to vote either way upon amendments to the measures here presented. When it comes to the final passage of the bill, I shall vote against it.

I am not deluding myself at all as to what will happen. I realize fully that I stand practically alone in the position I have taken in this matter. But the position I assume is founded on the profound conviction that we can not alienate sovereignty to the Philippines without consent of the sovereign people.

As I have pointed out time and again, sovereignty is not in the Congress. Sovereignty is in the people. It is an elementary and fundamental thing to say that the Congress has no more power than has been delegated to it by the people. But of all the powers which have been so delegated, as I see it, the power to alienate sovereignty over any one of our possessions has not been given to Congress.

Regardless of what may be the ultimate decision of the Senate, I am gratified to find in my mail a number of letters and also a number of telegrams from distinguished attorneys of this country commending me for my stand and stating that the study which they have made of the problem has convinced them that the position I am taking here is a sound one. For the first time in my life I regret that I am not a lawyer. I do not think I ever before had such a regret and I do not intend to let it trouble me very long. But if I had had the advantage of a legal training and had law degrees that were real instead of honorary more attention would be given to the statements which I have made and some which I intend to make to-day.

There is no public question which has presented itself in the 10 years since I have been in the Senate which has commanded so much of my time, devoted attention, and serious study as this one. If the opinions I venture to express were casual ones, were mere curbstone opinions, I would not take them very seriously myself. But having read everything I can find on the subject and studied the opinions of distinguished judges, I am satisfied that there is no power now held by the Congress of the United States which would justify the alienation of sovereignty and the disposition of the Philippine Islands.

I am amazed that any group of Filipinos would have enthusiasm for any one of the measures presented here. I hope that ultimately, by legal and constitutional action, the Filipinos may have their liberty. I want them to have full freedom when they are ready for it. But when they do have it I want it to be without blot.

In this connection I want to say another thing. For years it has been the practice of my party, the Democratic Party, to include in its platform a declaration in favor of immediate independence for the Filipinos. If any matter dealt with by the platform of my party had to do merely with a policy and was in no way associated with a constitutional inhibition, I would be for it, of course. I am just as much for liberty for the Filipinos as any Democrat who ever lived. But when that freedom comes I want it to be honest freedom, a possession given to them from the heart and in accordance with the Constitution of our common country.

I do not want action taken here, either, and I would not be disposed to be for it even if it were a constitutional thing, if that action were founded upon selfishness and sordidness. No honest man believes that these bills arise from any sentiment in American hearts stimulated by a desire to give freedom for freedom's sake.

Every honest man knows that the motives back of these bills have to do with sugar and cotton and copra and other products, as well as labor. The pending bill would not be here and would not be considered for five minutes if the one question of independence, divorced entirely from selfishness, were the impelling force back of it; and every man and woman within the sound of my voice, if informed on this subject, knows that I speak the full truth.

Mr. BROUSSARD. Mr. President, will the Senator from New York yield to me?

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Louisiana?

Mr. COPELAND. I yield.

Mr. BROUSSARD. I think we might reverse that picture and say that the only reason why the American people have not carried out their pledge to give the Filipinos their independence has been the selfishness of those who enjoy the Philippine market without the imposition of duties against their goods. They seek now to perpetuate that situation, because in that case the subsidies which the people of the Philippines receive are paid by the farming element of this country, and the manufacturing interests of the Nation are opposed to paying their share of it from now on.

Mr. COPELAND. Mr. President, I do not care what selfish interest drives a man either to be for or against these meas-

ures. So far as I am personally concerned, I am against all of them, because no one of them is properly here. Every one of them is violative of the Constitution of the United States.

Mr. President, the only reason I rose to-day was because in reading over the debates which have taken place I found that in my own argument I left certain loose ends which, in justice to myself, I feel it necessary to take up to-day. I am expecting no reward from my contemporaries for the position I take; I am seeking the verdict of posterity, Mr. President.

What I am saying here I hope will be helpful to the Supreme Court of the United States when it comes to pass upon this question. There are those who say that it can never reach the Supreme Court because it is a "political question" and that that body will not pass upon it. I am not so sure about that. In my judgment, the day will come when the able, prominent, and distinguished jurists of the Supreme Court will pass upon this question; and, Mr. President, if I can marshal any facts and references which will be helpful to that body when the time comes, I shall feel well rewarded for the trouble I have taken.

In a colloquy the other day with the Senator from Idaho [Mr. BORAH] I find that I slurred over somewhat and failed to make a fully responsive answer to his question. He asked me about a statement made by Mr. Justice Fisher, formerly of the Philippine Supreme Court, a statement which is included in his booklet on the constitutional power of Congress to withdraw the sovereignty of the United States over the Philippine Islands. It has been printed several times in the RECORD and was reprinted last Thursday in a speech of the Senator from Missouri [Mr. HAWES], which he then had inserted in the RECORD. In this booklet of Mr. Justice Fisher he says this:

> The essentially temporary nature of the control of the United States over the Philippine Islands has repeatedly been affirmed by our Presidents and by the national legislative bodies. The Senate, when advising the ratification of the treaty of Paris, expressly declared that it was not intended by approval of the cession of the Philippines by Spain to "incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor * * * to permanently annex said islands as an integral part of the United States; but * * * in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands."

I have discussed the pending matter with those who are inclined to disagree with the position I take because of a different conclusion they have reached. I find that some of them point out that at the time the treaty was pending in the Senate, in the early part of 1899, the newspapers of the country gave the public the impression that the treaty was being ratified, with an understanding that it really did not mean what it said. It is true that the newspapers at the time had much to say on the subject. I recall distinctly the debates which were reported in the public press and the arguments which were made. I have told the Senate before that one of the first matters that ever attracted my attention, so far as public affairs are concerned, was the Spanish-American War, and that my own effort, as a young man, was directed toward creating a sentiment in my State, urging that the people call upon President McKinley to intervene in Cuba. So, after the intervention and after the successful war, it was natural that I should follow in the press, as I did, the debates which took place here and the discussions printed in the newspapers.

Col. William Jennings Bryan was the leader of thought in our country against imperialism. He was indeed an anti-imperialist. He felt it was a dreadful thing that the United States should be in the colonial business. He said we were becoming an imperialistic country. He did not have much regard for Britain, and he thought that we were becoming too English in embracing the idea of having colonies and possessions across the sea.

There is no question, Mr. President, that the newspapers carried the idea to the public that there was no real intent on the part of the framers and signers of the treaty of Paris, and no intention upon the part of the President and the Senate to agree to an instrument which did not contain a reservation, secret or otherwise. I concede that. In the next place it is true that there was debate in the Senate, and a very considerable group of Senators held to the belief that the Senate should declare that there was no intention to incorporate the Philippines and Puerto Rico into our possessions. This group offered no hope whatever that statehood would ever be conferred upon any of this territory.

But, Mr. President, Mr. Justice Fisher in his book gives an utterly false impression as to what was done here in the Senate. He says—and I quote it again—

> The Senate, when advising the ratification of the treaty of Paris, expressly declared that it was not intended * * * to "incorporate the inhabitants of the Philippine Islands into citizenship of the United States."

What are the facts?

Several times during the debate in the Senate immediately preceding the presentation of the treaty for ratification resolutions were presented seeking to limit the effect of the cession. It was declared that there should be no incorporation into American citizenship of the inhabitants of the Philippine Islands.

On the 4th of February, 1899, the following occurred in the Senate. I read from the RECORD of the Fifty-fifth Congress, third session, volume 32, part 2, page 1445:

> Mr. ALLEN. I submit a resolution, which I ask may be read.
> The resolution was read, as follows:
>
> "*Resolved*, That the Senate of the United States, in ratifying and confirming the treaty of Paris, does not commit itself or the Government to the doctrine that the islands acquired by virtue of the war with Spain are to be annexed to or become a part of the United States, and that the difference in the language of said treaty as respects the island of Cuba and its inhabitants shall not be construed or be held to be a difference in effect, but that it is the intention and purpose of the Senate in ratifying said treaty to place the inhabitants of the Philippine Islands and Porto Rico in exactly the same position as respects their relations to the United States as are the inhabitants of Cuba."

That resolution, as I said, was presented on the 4th of February. Later in the same day it was laid before the Senate and discussed, chiefly by Mr. Chilton and Mr. Wolcott. The latter made a very vigorous statement regarding the pending treaty; and I want to read just a few words from his speech. What I shall read is found on page 1450 of the RECORD of February 4, the second paragraph from the bottom, second column.

This is what he said:

> Bar England, there is not a country in Europe that is not hostile to us.

Things have not changed any, have they, Mr. President? They are about the same now.

> Bar England, there is not a country in Europe that is not hostile to us.

Then, referring to the late war with Spain—the Spanish War—he goes on:

> During all this war they stood in sullen hate, hoping for our defeat and that disaster might come to us; and to-day they wait with eager and rapacious gaze, hoping that some event may yet prevent our reaping the fruits of the treaty which has been agreed upon by the commissioners of the two countries. Yet, while this critical condition of affairs exists, it has become evident within the last few days that certain political leaders in this Chamber believe that a new issue should be brought before the American people to be determined at the next presidential election. They intend that the American people shall be called to pass on the questions arising out of the war, and that this shall be the issue of the next campaign.

Of course, that was the suggestion of a prominent Republican, looking forward to the next presidential campaign. I have no doubt that Mr. Wolcott had every reason to believe, from what Colonel Bryan was saying throughout the country, that that would be, as indeed it was, one of the issues of the next campaign.

On the next page, at the top of the first column, Mr. Wolcott goes on:

> For my part, I do not believe these tactics can win. There are on both sides of this Chamber enough men animated with high patriotism, ready to obliterate party lines and to stand shoulder to shoulder together and with the Government, not because it is a Republican government but because it is an American govern-

ment, and they will agree to fight out hereafter the questions that may arise as to the conduct and disposal of the Philippines when the treaty shall have been ratified.

Of course, Mr. President, the question did become at once a political football; and, as I said a few moments ago, my party, from the next convention to the last one, has had a Philippine-independence plank in the platform. I am with my party always when it is right, but I could not indorse any plank which called upon the American people to repudiate a solemn treaty made with a coordinate power. I could not agree to any proposal which asked me, as a member of my party—a party which I love—to do an unconstitutional act. I shall be with my party for freedom for the Philippines when freedom for the Philippines can be given constitutionally, and not until then.

I wish to quote further from the address made on the 4th of February, 1899, by Mr. Wolcott. He said:

More than this—

Speaking once more of these unfriendly countries—and they are just as unfriendly to-day as they were then, and, in my opinion, more unfriendly.

More than this, they realize that if we to-day abandon those islands as a derelict upon the face of the waters we leave them open to the land hunger and the greed of the countries of Europe that are now seeking to colonize land the wide world over, with the probability that our action would plunge the world in war.

Prophetic words! I believe that what Senator Wolcott said 34 years ago is just as true to-day. We are going to pass a Philippine bill. This bill, in some form—probably so mutilated and changed that its parents will not know it—will pass pretty soon. When it does we shall "abandon those islands as a derelict upon the face of the waters" and "leave them open to the land hunger and the greed of the countries of Europe that are now seeking to colonize land the wide world over, with the probability that our action would plunge the world in war."

Prophetic words, Mr. President!

A little later in his speech, down near the bottom of the second column of page 1451, Mr. Wolcott said:

Mr. President, it has also been frequently said in the progress of this discussion that our continued occupancy of those islands is contrary to the spirit of American institutions.

We have heard some of that here, have we not, in the last few days?—

contrary to the spirit of American institutions.

Mr. Wolcott goes on:

Who shall say this? This Republic represents the first and only experiment in absolute self-government by the Anglo-Saxon race, intermingled and reinforced by the industrious of all the countries of the Old World. For more than a hundred years we have endured, and every decade has brought us increasing strength and prosperity and, it may be, an increasing tendency to greater bitterness in our consideration of questions of internal policy. Who is to say that in the evolution of such a republic as this the time has not come when the immense development of our internal resources and the marvelous growth of our domestic and foreign commerce and a realization of our virile strength have not stimulated that Anglo-Saxon restlessness which beats with the blood of the race into an activity which will not be quenched until we have finally planted our standard in that far-off archipelago which inevitable destiny has intrusted to our hands?

We planted the standard there. We did it deliberately. We did it after full debate and full consideration; and yet There are those who would pull down the American flag, and give up the obligation and the responsibility and the privilege of making of these islands what these men of old wanted to make of them.

Mr. President, half the energy used here to find a way to alienate sovereignty over the Philippines, if devoted to some plan of development of those great islands and of that fine people, half the energy devoted in the direction of their development and of their progress and prosperity, half the energy which we have found expended here in an effort to tear down and destroy, would make of the islands the paradise of the earth.

The discussion I have been reciting was on the 4th of February. That happened to be on Saturday. The next session of the Senate was on Monday, the 6th of February, and I find at the top of the second column, on page 1479, the heading:

POLICY REGARDING THE PHILIPPINE ISLANDS

Mr. McENERY. I offer a resolution, and ask that it be read, and that an hour be fixed before 3 o'clock when the vote shall be taken on it.

The VICE PRESIDENT. The resolution will be read.

The Secretary read as follows:

"*Resolved*, That by the ratification of the pending treaty of peace with Spain it is not intended to incorporate the inhabitants of said islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States; but it is the intention of the United States to establish on said islands a government suitable to the wants and conditions of the inhabitants of said islands, to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands."

Then Mr. McEnery said:

I ask that a vote be taken on this resolution to-day prior to going into executive session.

Let me make clear what his purpose was. This was the day, the 6th day of February, when final action upon the treaty was to be taken by the Senate. The ratification of the treaty was to come up in executive session later in the afternoon of that day, and Mr. McEnery desired to have action taken upon this resolution before the Senate entered into executive session. So he said:

I ask that a vote be taken on this resolution to-day prior to going into executive session.

The VICE PRESIDENT. The Chair understands the request of the Senator from Louisiana to be for unanimous consent that there may be a vote taken to-day on his resolution prior to the vote to be taken on the treaty of Paris.

Mr. BACON. I could not gather from the reading of the resolution whether it is a joint or a Senate resolution.

The VICE PRESIDENT. The Chair supposes it to be a simple Senate resolution or a concurrent resolution.

Mr. BACON. The Secretary did not read a resolving clause which would indicate it to be a concurrent resolution.

Mr. GALLINGER. Let it be read again in full.

The Secretary again read the resolution.

The VICE PRESIDENT. The Chair is requested to state by the introducer of the resolution that he introduced it as a simple Senate resolution, but he wishes to change it into a joint resolution.

Let me call the attention of the Senate to the significance of this. In an hour or so from the time this resolution was called up the Senate—not the Congress, but the Senate—was to act upon the treaty. Yet Mr. McEnery on this very day, literally the last day, in the afternoon, proposed a joint resolution, attempting to fix the intention of Congress regarding the meaning of the treaty. I do not need to point out to Senators how ridiculous, how utterly absurd, that proposed action was. Anyway, as the Vice President, according to the RECORD, stated, the author of the resolution desired to have it as a joint resolution.

Mr. Frye said:

And he asks unanimous consent that a vote may be taken on it to-day.

The VICE PRESIDENT. The resolution now before the Senate, introduced by the Senator from Louisiana, is intended to be a joint resolution. It will be read by title.

The joint resolution (S. J. Res. 240) declaring the purpose of the United States toward the Philippine Islands was read twice by its title.

The VICE PRESIDENT. The Senator from Louisiana asks that a vote be taken upon the joint resolution this afternoon. Is there objection?

Mr. ALLEN. I object.

The VICE PRESIDENT. Objection is made.

A little later in the day, as the RECORD shows at page 1480, first column, under the heading "Relations with Puerto Rico and the Philippines," the following occurred:

The VICE PRESIDENT. The Chair lays before the Senate the resolution submitted by the Senator from Nebraska [Mr. Allen], which comes over from a previous day. It will be read.

The resolution submitted on the 4th instant by Mr. Allen was read, as follows:

"*Resolved*, That the Senate of the United States, in ratifying and confirming the treaty of Paris, does not commit itself or the Government to the doctrine that the islands acquired by virtue of the

war with Spain are to be annexed to or become a part of the United States, and that the difference in the language of said treaty as respects the island of Cuba and its inhabitants and the island of Puerto Rico and Philippine Islands and their inhabitants shall not be construed or be held to be a difference in effect, but that it is the intention and purpose of the Senate in ratifying said treaty to place the inhabitants of the Philippine Islands and Puerto Rico in exactly the same position as respects their relations to the United States as are the inhabitants of Cuba."

Mr. ALLEN. Let the resolution be passed over.

The VICE PRESIDENT. The resolution will be passed over.

Then Mr. Allen said:

I ask that the joint resolution introduced by the Senator from Missouri [Mr. Vest] be laid before the Senate and read.

I want to speak about that just a moment, Mr. President. The minutes of the executive session, which have since been made public, show that Mr. Gorman, for Mr. Vest, proposed certain amendments. I am going to refer to that again in a moment, but I want to show that previous to the executive session, while the Senate was in legislative session, this resolution of Mr. Vest was laid before the Senate on request of Mr. Allen. The Vice President said:

The Chair lays the joint resolution before the Senate.

The Secretary read as follows:

"A joint resolution (S. Res. 191) declaring that under the Constitution of the United States no power is given to the Federal Government to acquire territory to be held and governed permanently as colonies

"*Resolved, etc.*, That under the Constitution of the United States no power is given to the Federal Government to acquire territory to be held and governed permanently as colonies.

"The colonial system of European nations can not be established under our present Constitution, but all territory acquired by the Government, except such small amount as may be necessary for coaling stations, correction of boundaries, and similar governmental purposes, must be acquired and governed with the purpose of ultimately organizing such territory into States suitable for admission into the Union."

That was the thing for which Mr. Vest, of Missouri, had been contending, and continued to contend for even when the Senate was in executive session, to pass upon the treaty.

Upon the reading of the resolution of Mr. Vest, which I have just quoted, Mr. Allen said:

I also ask that the resolution just introduced by the Senator from Louisiana [Mr. McEnery] be laid before the Senate and read.

The VICE PRESIDENT. The Chair lays the joint resolution before the Senate.

"A joint resolution (S. J. Res. 240) declaring the purpose of the United States toward the Philippine Islands

"*Resolved, etc.*, That by the ratification of the pending treaty of peace with Spain it is not intended to incorporate the inhabitants of said islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States. But it is the intention of the United States to establish on said islands a government suitable to the wants and conditions of the inhabitants of said islands, to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the citizens of the United States and the inhabitants of said islands."

Then there ensued a very bitter debate. I have listened to some debates in my day that were not entirely comfortable, but this was really an argumentative occasion. Mr. Allen and Mr. Clay, and finally Mr. Gorman, took part, and Mr. Gormon was so bitter that Mr. Wolcott begged for an opportunity to reply to him. Mr. Davis said:

I move that the Senate proceed to the consideration of executive business.

Mr. WOLCOTT. Mr. President, I ask unanimous consent that I may have five minutes to answer some personal allusions to myself made by the Senator from Maryland [Mr. Gorman].

Mr. DAVIS. I am very sorry, but under the unanimous-consent rule adopted I feel constrained to object to the request made by the Senator from Colorado.

Mr. WOLCOTT. I hope the Senator will allow me.

Mr. DAVIS. I can not.

Mr. WOLCOTT. I only ask for five minutes, Mr. President.

Mr. GEAR. I ask unanimous consent that the Senator from Colorado may be permitted to proceed.

Mr. DAVIS. I am constrained to object, Mr. President.

The VICE PRESIDENT. Objection is made to the request made by the Senator from Colorado [Mr. Wolcott]. The question is on the motion of the Senator from Minnesota [Mr. Davis] that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 1 hour and 10 minutes spent in executive session, the doors were reopened.

Mr. President, as I said a little while ago, it is true that those who seek to justify their support of pending measures upon the fact that there was discussion in the press and in the Senate, giving the impression to the American people that there was no real intent on the part of the Senate in ratifying the treaty actually to incorporate into our territory the Spanish possessions. I want the record which I am trying to make to be a truthful one, and so at some length I have described to the Senate the state of the public mind, the statements of the press, and the efforts made in the Senate itself to place a limitation upon the treaty.

But no such limitation was placed upon the treaty. Having fresh in mind all the objections raised by those who wished to place an interpretation upon the intent of Congress regarding the act, regarding the ratification, regarding the treaty and its significance—in spite of the heated debate of the very day and the memory of debates of two or three days before, in spite of all that, the Senate went into executive session and what there happened? I want Senators to know exactly what happened. Of course Senators know now, and I merely want to recall it to their minds. That afternoon while Mr. Wolcott was begging that he might be given the floor the Senate went into executive session, and what happened?

I hold in my hand the Executive Journal, volume 31, Fifty-fifth Congress, pertaining to the executive session of February 6, 1899, and at page 1282 I find the following:

The Senate, as in Committee of the Whole, resumed the consideration of the treaty of peace (Exhibit B) between the United States and Spain, signed in the city of Paris on December 10, 1898; and

After debate thereon,

Mr. Gorman (for Mr. Vest) proposed the following amendments to the treaty:

"Article III, strike out the words 'cedes to the United States' and insert in lieu thereof the words 'relinquishes all claim of sovereignty over and title to.'"

I dislike repeating this matter, but for the sake of continuity in the RECORD I should do so. It will be recalled that in the treaty which was pending Article I reads as follows:

Spain relinquishes all claim of sovereignty over and title to Cuba.

Spain relinquishes all claim of sovereignty over and title to Cuba!—

Article II. Spain cedes to the United States.

See the difference. Once more for the record I want to be very clear, and this is all I have in mind, that Article I relating to Cuba read:

Spain relinquishes all claim of sovereignty over and title to Cuba.

But when it came to Article II it reads:

Spain cedes to the United States Puerto Rico.

And in Article III it reads:

Spain cedes to the United States the archipelago known as the Philippine Islands.

In the first article there was a relinquishment of sovereignty over Cuba—no cession, but a relinquishment of sovereignty; but in Article II, relating to Puerto Rico, it was a cession—"Spain cedes to the United States"—and in Article III, "Spain cedes to the United States the archipelago known as the Philippine Islands," and so forth.

Mr. Gorman, for Mr. Vest, wished to change Article III relating to the Philippines so it would read:

Spain relinquishes all claim of sovereignty over and title to the Philippine Islands.

This he desired in order to have the language of Article III identical with the language of Article I, which related to Cuba.

Also, on page 1283 of the Executive Journal, I have read a part of Mr. Vest's proposed amendment to change from "cede" to "relinquishment of sovereignty," and then also he wished the following:

Add at the end of Article III the following:

"The United States, desiring that the people of the archipelago shall be enabled to establish a form of free government suitable to their condition and securing the rights of life, liberty, and property, and the preservation of order and equal rights therein, assumes for the time being and to the end aforesaid the control of the archipelago so far as such control shall be needful for the purposes above stated, and will provide that the privileges accorded to Spain by Articles IV and V of this treaty shall be enjoyed."

That is what Mr. Vest tried to do in his joint resolution previous to the meeting of the Senate in executive session. In executive session he definitely moved to have these changes made. Further than that, in line 2, Article VIII, after the word "Cuba," he moved to insert the words "and in the Philippine Archipelago," in order that the same thought that he had in mind might be continued in Article VIII so there would be no cession of territory, but merely a relinquishment of Cuba as in Article I. Then further in Article IX he wanted certain material stricken out, and in Article XIII to have the Philippines included with Cuba with reference to copyrights and patents. So far as the islands of Cuba and Puerto Rico and the Philippines were concerned, he wanted the language to be identical. He wanted Cuba, Puerto Rico, and the Philippines to have in the treaty exactly the same standing. That was proposed in the Senate itself and in executive session he presented the amendment, and what happened?

Mind you, this matter had been debated in the Senate, in the House, in the newspapers by Col. William Jennings Bryan and other orators and anti-imperialists. The matter had been discussed time and time again in every forum, in every newspaper, in every magazine. All these ideas were familiar to the Senate of the United States, and here was pending an amendment to make the changes proposed by Mr. Vest. What happened? I quote from page 1283 of the Executive Journal:

On motion by Mr. Lindsay, and by unanimous consent, the said proposed amendments were considered together; and on the question to agree to the proposed amendments it was determined in the negative—yeas 30, nays 53.

On motion by Mr. Gorman, the yeas and nays being desired by one-fifth of the Senators present, those who voted in the affirmative are * * * and those who voted in the negative are * * *.

So the amendments were overwhelmingly defeated in spite of the arguments in the Senate prior to and in the executive session itself.

I fail to see how anybody can lean upon the broken staff of public sentiment of a minority of the American people—the limited public sentiment of the time. If we want an excuse for voting for the pending legislation, that is just as good as any. But I have shown to the Senate, and conclusively because it is from the record, that there is no foundation and no justification for the position that public sentiment was united against the Filipinos. It was not intended to cheat them. We had no thought in 1899 of doing less than was done by every other treaty ever made by our country. There is no foundation for the excuse to be offered for these measures on the theory that we really did not mean it when we entered into this treaty with Spain regarding the Filipinos.

After the debate in the executive session and the presentation of these amendments of Mr. Vest and their overwhelming defeat, then, as we see from page 1284 of Executive Journal—

Mr. Davis submitted the following resolution of ratification for consideration:

"*Resolved* (*two-thirds of the Senators present concurring therein*), That the Senate advise and consent to ratification of the treaty of peace between the United States and Spain signed at the city of Paris on December 10, 1898."

The Senate by unanimous consent considered the resolution, and on the question, Will the Senate advise and consent to the ratification of the treaty in the form of said resolution, it was determined in the affirmative—yeas 57, nays 27.

The record shows the personnel on each side of the vote. The injunction of secrecy was removed and the treaty was ratified.

It is a matter of interest, I think, to find out what became of the joint resolution. Mind you, Mr. President, the deed had been signed, sealed, and delivered, but on February 14, eight days after the ratification of the treaty by the Senate by an overwhelming vote, Mr. McEnery's resolution was discussed at great length and finally acted upon by the Senate.

I want to call attention to the fact that it was a joint resolution; that it had been considered at great length by the Senate previous to ratification but was still pressed by its author; and so it was considered on February 14, 1899. The joint resolution was read the third time at length, as follows:

Resolved, etc., That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States, but it is the intention of the United States to establish on said islands a government suitable to the wants and conditions of the inhabitants of said islands to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the United States and the inhabitants of said islands.

After much discussion, the resolution was finally put to a vote, and, the roll call having been concluded, the result was announced—yeas 26, nays 22. The joint resolution was passed by that vote, but, in this connection, I want to give the Senate a statement of the Supreme Court on this subject. It is found in One hundred and eighty-third United States, the Fourteen Diamond Rings case. I do not want anybody to entertain the thought that the fact that by a vote of 26 to 22 the Senate adopted the joint resolution justifies him in voting for one of the pending measures.

The matter of this particular joint resolution had the attention of the Supreme Court and, in the opinion of Mr. Chief Justice Fuller, on page 179, I find this:

The Philippines thereby ceased, in the language of the treaty, "to be Spanish." Ceasing to be Spanish, they ceased to be foreign country. They came under the complete and absolute sovereignty and dominion of the United States, and so became territory of the United States over which civil government could be established. The result was the same, although there was no stipulation that the native inhabitants should be incorporated into the body politic, and none securing to them the right to choose their nationality. Their allegiance became due to the United States and they became entitled to its protection.

Those are the words of Mr. Chief Justice Fuller. He continues:

But it is said that the case of the Philippines is to be distinguished from that of Puerto Rico—

It was urged by counsel that Puerto Rico and the Philippines were not on the same plane—

But it is said that the case of the Philippines is to be distinguished from that of Puerto Rico, because on February 14, 1899, after the ratification of the treaty, the Senate resolved, as given in the margin, that it was not intended to incorporate the inhabitants of the Philippines into citizenship of the United States, nor to permanently annex those islands.

The resolution referred to is the one which I read a moment ago and which was passed by a vote of 26 to 22, the resolution, to quote it again, reading as follows:

Resolved, etc., That by the ratification of the treaty of peace with Spain it is not intended to incorporate the inhabitants of the Philippine Islands into citizenship of the United States, nor is it intended to permanently annex said islands as an integral part of the territory of the United States; but it is the intention of the United States to esablish on said islands a government suitable to the wants and conditions of the inhabitants of said islands to prepare them for local self-government, and in due time to make such disposition of said islands as will best promote the interests of the United States and the inhabitants of said islands.

What does the court say about that?—

We need not consider the force and effect of a resolution of this sort, if adopted by Congress, not like that of April 20, 1898, in respect of Cuba, preliminary to the declaration of war, but after title had passed by ratified cession. It is enough that this was a joint resolution; that it was adopted by the Senate by a vote of 26 to 22, not two-thirds of a quorum.

The significance of that being that if this were a treaty matter, or the limitation of a treaty, it would be necessary to have a two-thirds vote of the Senate. Of course, it could not be done in this informal way in any event, but, even if it

had been presented in executive session, it would have been necessary to have a two-thirds vote, but the court says:

It is enough that this was a joint resolution; that it was adopted by the Senate by a vote of 26 to 22, not two-thirds of a quorum, and that it is absolutely without legal significance on the question before us. The meaning of the treaty can not be controlled by subsequent explanations of some of those who may have voted to ratify it. What view the House might have taken as to the intention of the Senate in ratifying the treaty we are not informed, nor is it material; and if any implication from the action referred to could properly be indulged, it would seem to be that two-thirds of a quorum of the Senate did not consent to the ratification on the grounds indicated.

So, Mr. President, there is no consolation to be had in the attitude of the press or of the publicists of the day. There is no consolation to be had in the discussions and decisions of the Congress, particularly of the Senate. The treaty was duly considered, was fully debated and ratified by an overwhelming vote, and it is the supreme law of the land.

Mr. President, I have attempted fully and completely and from the record to make clear that the Senate had every opportunity to modify the conditions of cession, had every opportunity to do what many Senators here no doubt wish had been done. But the Senate did not do it, and my contention is that there is no possible excuse to lean upon this vain discussion as justification for support of pending measures.

There is another matter I wish to consider. It relates to the disposing clause of the Constitution. It continues to be a matter of amazement to me that anybody would allege that in the third section of Article IV there is any justification for the alienation of sovereignty.

Sovereignty is not territory. Sovereignty is not property. Sovereignty is not something you can sell. Sovereignty does not belong to the Senate of the United States or to the Congress of the United States. Sovereignty is in the people of the United States, and proudly we speak of "the sovereign people"; but I read yesterday, in the Washington Post, an editorial entitled "Alienating Territory":

ALIENATING TERRITORY

The right of the United States to dispose of territory that comes into its possession is being questioned in connection with the bill for independence of the Philippine Islands. Senator COPELAND made a long argument before the Senate on this point.

No occasion has ever arisen for the Supreme Court to pass upon this question, since no territory over which the sovereignty of the United States has definitely extended has ever been alienated. The Constitution is not specific on this point, although it provides in section 3, Article IV, that—

"The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States; and nothing in this Constitution shall be construed as to prejudice any claims of the United States, or any particular State."

It is argued by some opponents of the independence movement that the power to dispose of territory is not equivalent to the power to alienate territory. Under this view Congress could do anything with the Philippines, except withdraw the sovereignty of the American Government over them. It seems apparent, however, that the Constitution makers intended to give Congress the broad power of dealing with territorial possessions as it might see fit.

The right of Congress to acquire territory has also been challenged. When Jefferson made the Louisiana purchase he was accused of flouting the Constitution, because it contained no specific authorization for such an act. But it is now a well-established principle that Congress does have the authority to acquire territory. Any other construction upon the fundamental law would have made the present-day United States an impossibility.

There seems to be no logic in the contention that Congress may acquire territory by purchase or otherwise, but has no authority to relinquish such territory. Congress has power to make "all needful rules and regulations respecting territory * * * belonging to the United States." If Congress considers it needful to make the Philippines independent, there seems to be no warrant in the Constitution to prevent such action. The logic of this viewpoint is emphasized when it is recalled that the present movement to free the islands is fostered in the interests of the American farmer and not for the benefit of the Filipinos.

The independence bill will probably fail on its own demerits, either in the Senate or at the White House, and not because of any lack of authority in Congress to deal with the subject.

Mr. President, for reasons which I have given the Senate in full, I do not indorse that editorial in so far as it relates to the disposition of sovereignty. I am sorry that it seems necessary to say anything more about the subject. The learned editor of a great newspaper ought to be informed on the subject, but I am very confident it can be shown by even greater authorities that he is mistaken. When I speak about the greater authorities I am referring to the judges of the Supreme Court. I am not referring to myself as an authority, of course. I am simply reciting to the Senate what I have learned from the judicial decisions.

I attempted to show that section 3, Article IV, can not be relied upon as a good and sufficient excuse for alienating sovereignty over the Philippines. It will be recalled that I quoted Taney, who believed that the disposing clause relates only to territory held in common by the States at the time the Constitution was adopted. Virginia had ceded what we call the Northwest Territory, and the ordinance of 1787 had been passed.

Now I want to read a little more from Taney. I stated a few days ago that I intended to do this; and I can hardly understand how any real student of this subject could fail to be impressed by the logic and convincing argument of Mr. Chief Justice Taney.

In the case of Scott against Sandford, in Nineteenth Howard at page 434, the Chief Justice had already spoken about the cession by Virginia of the Northwest Territory. Then Taney goes on:

The example of Virginia was soon afterwards followed by other States, and, at the time of the adoption of the Constitution, all of the States, similarly situated, had ceded their unappropriated lands, except North Carolina and Georgia. The main object for which these cessions were desired and made, was on account of their money value, and to put an end to a dangerous controversy, as to who was justly entitled to the proceeds when the lands should be sold. It is necessary to bring this part of the history of these cessions thus distinctly into view, because it will enable us the better to comprehend the phraseology of the article in the Constitution, so often referred to in the argument.

Undoubtedly the powers of sovereignty and the eminent domain were ceded with the land. This was essential, in order to make it effectual, and to accomplish its objects. But it must be remembered that, at that time, there was no Government of the United States in existence with enumerated and limited powers; what was then called the United States, were 13 separate, sovereign, independent States, which had entered into a league or confederation for their mutual protection and advantage, and the Congress of the United States was composed of the representatives of these separate sovereignties, meeting together, as equals, to discuss and decide on certain measures which the States, by the Articles of Confederation, had agreed to submit to their decision. But this Confederation had none of the attributes of sovereignty in legislative, executive, or judicial power. It was little more than a congress of ambassadors, authorized to represent separate nations, in matters in which they had a common concern.

Mr. President, I have no desire to call a quorum, because I do not want to annoy Senators who are out of the Chamber; but in the absence of human beings in this room it acts like a sounding board, and voices carry amazingly. I can actually hear the conversations and the words spoken.

Mr. PITTMAN. Mr. President——

The PRESIDING OFFICER (Mr. BARKLEY in the chair). Does the Senator from New York yield to the Senator from Nevada?

Mr. COPELAND. I yield.

Mr. PITTMAN. I wish to beg the Senator's pardon. I did not desire to disturb him. I am very sorry my conversation interrupted his speech.

Mr. COPELAND. I am not sure I was referring to the Senator from Nevada, but his apology is accepted.

Mr. PITTMAN. I have enjoyed the same speech several times.

Mr. COPELAND. I should be very glad if the Senator would sit down and listen to it and really hear it once. He has heard parts of the same speech several times possibly; but, regardless of what the Senator from Nevada may wish, my state of health is such that I feel able to go on and complete my work this afternoon.

Is it not an amazing thing, Mr. President, that Senators who are so bent upon having their own way, so determined that their way is the right way, should be so unwilling to accord one of their numbers, coordinate in position, and representative of a State at least as important, the same privilege of speaking at some length that they themselves demand on other occasions?

I can well recall when, at a time when we had important business that we wished to transact, the Senator from Nevada [Mr. PITTMAN] held the Senate on the 4th of March at great length, discoursing on reclamation in Nevada—a matter of vital importance to him at the time, but probably of as little concern to the Senate as what I am saying is of concern to the same body.

But Mr. Justice Taney said of this Congress that—

They had an undoubted right, as independent sovereignties, to accept any cession of territory for their common benefit, which all of them assented to; and it is equally clear, that as their common property, and having no superior to control them, they had the right to exercise absolute dominion over it, subject only to the restrictions which Virginia had imposed in her act of cession.

There was, as we have said, no Government of the United States then in existence with specially limited and enumerated powers. The territory belonged to sovereignties, who, subject to the limitations above mentioned, had a right to establish any form of government they pleased, by compact or treaty among themselves, and to regulate rights of person and rights of property in the territory, as they might deem proper. It was by a Congress, representing the authority of these several and separate sovereignties, and acting under their authority and command—but not from any authority derived from the Articles of Confederation—that the instrument usually called the Ordinance of 1787 was adopted; regulating in much detail the principles and the laws by which this territory should be governed;—

Then he makes a reference to slavery in that connection, which of course was the matter pending before the court. I omit that, and go on to the next paragraph:

This was the state of things when the Constitution of the United States was formed. The territory ceded by Virginia belonged to the several Confederated States as common property, and they had united in establishing in it a system of government and jurisprudence, in order to prepare it for admission as States, according to the terms of the cession. They were about to dissolve this federative union and to surrender a portion of their independent sovereignty to a new government, which, for certain purposes, would make the people of the several States one people, and which was to be supreme and controlling within its sphere of action throughout the United States; but this Government was to be carefully limited in its powers, and to exercise no authority beyond those expressly granted by the Constitution, or necessarily to be implied from the language of the instrument, and the objects it was intended to accomplish; and as this league of States would, upon the adoption of the new government, cease to have any power over the territory, and the ordinance they had agreed upon be incapable of execution, and a mere nullity, it was obvious that some provision was necessary to give the new Government sufficient power to enable it to carry into effect the objects for which it was ceded, and the compacts and agreements which the States had made with each other in the exercise of their powers of sovereignty.

Chief Justice Taney continued:

It was necessary that the lands should be sold to pay the war debt; that a government and a system of jurisprudence should be maintained in it to protect the citizens of the United States who should migrate to the territory in their rights of person and of property. It was also necessary that the new government, about to be adopted, should be authorized to maintain the claim of the United States to the unappropriated lands in North Carolina and Georgia, which had not then been ceded, but the cession of which was confidently anticipated upon some terms that would be arranged between the General Government and these two States. And, moreover, there were many articles of value besides this property in land—

All this has an important bearing upon the disposing clause of the Constitution, because Chief Justice Taney was pointing out the different kinds of property—territory, lands, and movable property—and he said:

Furthermore—

there were many articles of value besides this property and land, such as arms, military stores, munitions, and ships of war, which were the common property of the States, when acting in their independent characters as confederates, which neither the new Government nor any one else would have a right to take possession of, or control, without authority from them; and it was to place these things under the guardianship and protection of the new Government, and to clothe it with the necessary powers, that the clause was inserted in the Constitution which gives Congress the power "To dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." It was intended for a specific purpose, to provide for the things we have mentioned. It was to transfer to the new Government the property then held in common by the States, and to give to that Government power to apply it to the objects for which it had been destined by mutual agreement among the States before their league was dissolved. It applied only to the property which the States held in common at that time, and has no reference whatever to any territory or other property which the new sovereignty might afterwards itself acquire.

Mr. FESS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. FESS. The statement which the Senator has just read involves a question which has very frequently been raised; that is, without a doubt, that particular clause in the Constitution was inserted with reference to the Northwest Territory.

In 1784 Jefferson proposed the famous ordinance, and for some reason it was not accepted at that time. Then, in 1787, the ordinance as we now know it was introduced, not by Jefferson but by another, but it involved about the same principles which the proposed ordinance of 1784 covered, including that question of the exclusion of slavery. That was one of the subjects before the Constitutional Convention. Here was property which was not in any of the thirteen States under the organic act, but was a sort of an addition. It would be termed "territory." This particular phrase, that Congress shall have power "to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States," without a doubt was put in with special reference to the Northwest Territory.

I think it was broad enough, however, in its comprehension, to take in territory later acquired, whether by annexation, as in the case of Texas; by purchase, as in the case of Louisiana; or by occupation, as in the case of Oregon. I think it was broad enough to cover such cases.

The Senator knows I have listened to his argument with more than ordinary interest. I think he is making a very strong presentation, although I can not go along with him in his conclusions. What has been troubling me all along, however, is this: It seems to me that if we do not include in that clause a sufficient power and authority to dispose of outlying territories, like Hawaii, the Philippines, or Puerto Rico——

Mr. COPELAND. Does the Senator mean, now, the sovereignty, or simply land in those territories?

Mr. FESS. Of course, that is the very heart of the thing, whether this provision which had to do with this particular area to which I have referred did not include the people as well as the land. I think that is an open question. It seems to me it did. But if this is not broad enough, then we would be left in an unfortunate situation if, by act of war, we should come into possession of territory that is not contiguous, like Alaska, but is on the continent, or territory that is far removed, as in the case of the Philippines. If, as the result of war, we should come into any sort of control over such territory, we would be left totally helpless to make any disposition of the territory. I doubt whether a correct construction of that clause would go to the extent of saying that we could not make any disposition of the territory.

For example, let us take Texas. The people of Texas were peculiarly situated, for 10 years having an independent republic, securing their independence in a contest with Mexico, then, on application, bodily coming into the Union, not coming as a Territory, but coming in full-fledged as a State. Does the Senator mean that if Texas desired to be an independent republic, and the United States were willing that she should be, there is no power by which that could be brought about?

Mr. COPELAND. I thank the Senator for his comments. I regard the Senator from Ohio as a very learned man; I know he is a student of history, and I like what he has said to-day. I find myself in almost perfect agreement with him.

It seems presumptuous for me to say it, but I would not go as far as Chief Justice Taney went regarding the application of the disposing clause of the Constitution. I feel it is pertinent to the discussion to insert what he said in the RECORD, however, because he says so much better than I could what he held to be true regarding the application of the disposing clause, and later, as I read, the Senator will note that he makes a very considerable point of the second

clause in this section, "nothing in this Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State." If that language were not there, I think we could go very far in the use of the disposing clause as a means of getting rid of territory, if for any reason we desired to rid ourselves of territory.

Mr. FESS. Mr. President, if the Senator would permit me, I frankly state that while I have not agreed with the conclusions the Senator is bringing out, I do think, in fact, I know, that the contribution which the Senator is making by the citation of these various court decisions, and the opinions of such men as Justice Taney, is not lost time, but will be read with considerable interest in the future, whenever this question may be revived. I do not want the Senator to get the impression that I have had any object other than to get his viewpoint.

Mr. COPELAND. I thank the Senator from the bottom of my heart, because to have one Member of the Senate indicate his appreciation of certain work which I have done—and I have done a tremendous lot of work, as the Senator must realize—is very gratifying to me.

But I want to come back to the question the Senator asked me, and that is what we are going to do if by the fortunes of war or other circumstance we have brought to us territory which we do not want and which we do not want to keep. That is a very pertinent question. It points the way to the very thing for which I am contending here. This is a wonderful Constitution of ours, a wonderful instrument, the greatest instrument, Mr. Gladstone said, ever struck off by the hand of man—I can not give the quotation exactly.

Mr. FESS. It is from William E. Gladstone, who said it is "the most wonderful instrument ever stricken off by the brain or purpose of man at any one time," published in 1878 in an article contributed to the North American Review.

Mr. COPELAND. I thank the Senator for the reference. Gladstone was one of my great heroes, and I am very glad to have the exact quotation.

Mr. President, the thing I have been contending for is this. We can not alienate sovereignty in my judgment without the consent of the people. There was no power granted by the Constitution to alienate sovereignty. I am not sure I could reconcile myself as to these pending bills, even though I had no conscientious objection to the procedure, but I think the Constitution ought to have one more amendment. I have not always been in sympathy with amendments to the Constitution, but there ought to be power given to the Congress to alienate territory. If that power were clearly given, the time that we have devoted to the consideration of these bills would be wholly justified; but in my judgment, in the absence of definite authority, we are doing a thing we have no right to do. But I would like to have the Constitution amended so that unincorporated territory might be dealt with at the pleasure of the Congress.

I recognize that there is a difference between our relationship to the Philippines and our relation to the Territory of Alaska at the time of the treaty with Russia. There is a difference. It is a distinction which differentiates this treaty from all the other treaties we have made. No definite provision has been made for the incorporation of the inhabitants of these islands. I have no doubt that by act of Congress they could be incorporated into our common possession and when so incorporated they could never be alienated. No Senator would say that Florida or Louisiana or Alabama could be cut out of the Union. No one of us would contend such a thing. They have become incorporated in our possessions.

Senators will remember the language of the Articles of the Confederation, for instance, in relation to the Northwest Territory, which we have been discussing:

> The said territory and the States which may be formed therein shall forever remain a part of this confederacy of the United States of America, subject to the Articles of Confederation and to such alterations as shall be constitutionally made.

Our possession of the Philippines is such that we could incorporate them and accept them into statehood. Where we have such possession, such ownership of a part of the world, that by an act of Congress that territory could be incorporated into our possessions and made into a State, it seems preposterous to think that we could in this offhand manner dispose of it.

Mr. President, when I had the interruption which I welcomed from the Senator from Ohio [Mr. FESS] I was quoting from Mr. Justice Taney. I thank the Senator from Ohio for his interest in the matter. I know it is profound, and I thank him for the questions which he asked.

Speaking once more about the disposing clause of the Constitution, let me quote from Mr. Justice Taney:

> The language used in the clause, the arrangement and combination of the powers, and the somewhat unusual phraseology it uses, when it speaks of the political power to be exercised in the government of the territory, all indicates the design and meaning of the clause to be such as we have mentioned. It does not speak of any territory nor of territories, but uses language which, according to its legitimate meaning, points to a particular thing.

Let me turn aside from the quotation. This is what the Constitution says:

> The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

I continue now from Mr. Justice Taney:

> The power is given in relation only to the territory of the United States—that is, to a territory then in existence and then known or claimed as the territory of the United States. It begins its enumeration of powers by that of disposing, in other words, making sale of the lands, or raising money from them, which, as we have already said, was the main object of the cession, and which is accordingly the first thing provided for in the article. It then gives the power which was necessarily associated with the disposition and sale of the land—that is, the power of making needful rules and regulations respecting the territory. And whatever construction may now be given to these words, everyone, we think, must admit that they are not the words usually employed by statesmen in giving supreme power of legislation. They are certainly very unlike the words used in the power granted to legislate over territory which the new Government might afterwards itself obtain by cession from a State, either for its seat of government or for forts, magazines, arsenals, dockyards, and other needful buildings.

Let me refer to that. It will be found in Article I, section 8, of the Constitution, paragraph 17:

> To exercise exclusive legislation in all cases whatsoever, over such district (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States, and to exercise like authority over all places purchased by the consent of the legislature of the State in which the same shall be, for the erection of forts, magazines, arsenals, dockyards, and other needful buildings.

There is no question about the language. It is there. It is very different from that used in the disposing clause.

I continue quoting from Mr. Justice Taney:

> And the same power of making needful rules respecting the territory is, in precisely the same language, applied to the other property belonging to the United States—associating the power over the territory in this respect with the power over movable or personal property—that is, the ships, arms, and munitions of war, which then belonged in common to the State sovereignties. And it will hardly be said that this power, in relation to the last-mentioned objects, was deemed necessary to be thus specially given to the new Government in order to authorize it to make needful rules and regulations respecting the ships it might itself build, or arms and munitions of war it might itself manufacture or provide for the public service.
>
> No one, it is believed, would think a moment of deriving the power of Congress to make needful rules and regulations in relation to property of this kind from this clause of the Constitution.
>
> Nor can it, upon any fair construction, be applied to any property but that which the new Government was about to receive from the Confederated States. And if this be true as to this property, it must be equally true and limited as to the territory which is so carefully and precisely coupled with it—and, like it, referred to as property in the power granted.

I do not see how anybody can question the logic of this statement. Then he continues:

> The concluding words of the clause appear to render this construction irresistible.

And I want to call particular attention to this because always when we quote the disposing clause we omit the second section of that clause and we forget that there is another section. I just quoted this to the Senator from Ohio [Mr. FESS]. The second section of this clause reads:

That nothing in the Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

These two sentences must be read together. One can not be read without the other, and one can not be interpreted without the other. So Mr. Justice Taney said:

The concluding words of the clause appear to render this construction irresistible, for after the provisions we have mentioned it proceeds to say, "That nothing in the Constitution shall be so construed as to prejudice any claims of the United States, or of any particular State.

Now, as we have before said, all of the States except North Carolina and Georgia had made the cession before the Constitution was adopted, according to the resolution of Congress of October 10, 1780. The claims of other States that the unappropriated lands in these two States should be applied to the common benefit in like manner was still insisted on, but refused by the States. And this member of the clause in question evidently applies to them, and can apply to nothing else. It was to exclude the conclusion that either party by adopting the Constitution would surrender what they deemed their rights. And when the latter provision relates so obviously to the unappropriated lands not yet ceded by the States and the first clause makes provision for those then actually ceded it is impossible by any just rule of construction to make the first provision general and extend to all territories which the Federal Government might in any way afterwards acquire, when the latter is plainly and unequivocally confined to a particular territory, which was a part of the same controversy and involved in the same dispute and depended upon the same principles. The union of the two provisions in the same clause shows that they were kindred subjects; and that the whole clause is local and relates only to lands within the limits of the United States which had been or then were claimed by a State; and that no other territory was in the minds of the framers of the Constitution or intended to be embraced in it. Upon any other construction it would be impossible to account for the insertion of the last provision in the place where it is found or to comprehend why or for what object it was associated with the previous provision.

This view of the subject is confirmed by the manner in which the present Government of the United States dealt with the subject as soon as it came into existence. It must be borne in mind that the same States that formed the Confederation also formed and adopted the new Government, to which so large a portion of their former sovereign powers were surrendered. It must also be borne in mind that all of these same States which had then ratified the new Constitution were represented in the Congress which passed the first law for the government of this territory; and many of the members of that legislative body had been deputies from the States under the Confederation—had united in adopting the Ordinance of 1787 and assisted in forming the new Government under which they were then acting and whose powers they were then exercising. And it is obvious from the law they passed to carry into effect the principles and provisions of the ordinance that they regarded it as the act of the States done in the exercise of their legitimate powers at the time. The new Government took the territory as it found it and in the condition in which it was transferred and did not attempt to undo anything that had been done. And, among the earliest laws passed under the new Government is one reviving the Ordinance of 1787, which had become inoperative and a nullity upon the adoption of the Constitution. This law introduces no new form of principles for its government, but recites, in the preamble, that it is passed in order that this ordinance may continue to have full effect and proceeds to make only those rules and regulations which were needful to adapt it to the new Government into whose hands the power had fallen.

It appears, therefore, that this Congress regarded the purposes to which the land in this territory was to be applied, and the form of government and principles of jurisprudence which were to prevail there, while it remained in the territorial state, as already determined on by the States when they had full power and right to make the decision; and that the new Government, having received it in this condition, ought to carry substantially into effect the plans and principles which had been previously adopted by the States, and which no doubt the States anticipated when they surrendered their power to the new Government. And if we regard this clause of the Constitution as pointing to this territory, with a territorial government already established in it, which had been ceded to the States for the purposes hereinbefore mentioned—every word in it is perfectly appropriate and easily understood, and the provisions it contains are in perfect harmony with the objects for which it was ceded, and with the condition of its government as a territory at the time.

Mr. President, it seems to me that is a very conclusive statement regarding the meaning of the disposal clause of the Constitution. Mr. Chief Justice Taney proceeds:

We can, then, easily account for the manner in which the first Congress legislated on the subject—and can also understand why this power over the territory was associated in the same clause with the other property of the United States, and subjected to the like power of making needful rules and regulations. But if the clause is construed in the expanded sense contended for, so as to embrace any territory acquired from a foreign nation by the present Government, and to give it in such territory a despotic and unlimited power over persons and property, such as the confederated States might exercise in their common property, it would be difficult to account for the phraseology used, when compared with other grants of power—and also for its association with the other provisions in the same clause.

The Constitution has always been remarkable for the felicity of its arrangement of different subjects, and the perspicuity and appropriateness of the language it uses. But if this clause is construed to extend to territory acquired by the present Government from a foreign nation, outside of the limits of any charter from the British Government to a colony, it would be difficult to say why it was deemed necessary to give the Government the power to sell any vacant lands belonging to the sovereignty which might be found within it; and if this was necessary, why the grant of this power should precede the power to legislate over it and establish a government there; and still more difficult to say why it was deemed necessary so specially and particularly to grant the power to make needful rules and regulations in relation to any personal or movable property it might acquire there. For the words, "other property" necessarily, by every known rule of interpretation, must mean property of a different description from territory or land. And the difficulty would perhaps be insurmountable in endeavoring to account for the last member of the sentence, which provides that "nothing in this Constitution shall be so construed as to prejudice any claims of the United States or any particular State," or to say how any particular State could have claims in or to a territory ceded by a foreign government, or to account for associating this provision with the preceding provisions of the clause, with which it would appear to have no connection.

The words "needful rules and regulations" would seem, also, to have been cautiously used for some definite object. They are not the words usually employed by statesmen, when they mean to give the powers of sovereignty, or to establish a government, or to authorize its establishment. Thus, in the law to renew and keep alive the Ordinance of 1787, and to reestablish the government, the title of the law is: "An act to provide for the government of the territory northwest of the River Ohio." And in the Constitution, when granting the power to legislate over the territory that may be selected for the seat of government independently of a State, it does not say Congress shall have power "to make all needful rules and regulations respecting the territory"; but it declares that "Congress shall have power to exercise exclusive legislation in all cases whatsoever, over such District (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States.

The words "rules and regulations" are usually employed in the Constitution in speaking of some particular specified power which it means to confer on the Government, and not, as we have seen, when granting general powers of legislation. As, for example, in the particular power to Congress "to make rules for the government and regulation of the land and naval forces, or the particular and specific power to regulate commerce"; "to establish a uniform rule of naturalization"; "to coin money and regulate the value thereof." And to construe the words of which we are speaking as a general and unlimited grant of sovereignty over territories which the Government might afterwards acquire, is to use them in a sense and for a purpose for which they were not used in any other part of the instrument. But if confined to a particular Territory, in which a government and laws had already been established, but which would require some alterations to adapt it to the new government, the words are peculiarly applicable and appropriate for that measure.

I have been pointing out the expressions of Mr. Justice Taney on the disposing clause of the Constitution. This matter has been called to my attention repeatedly in letters and telegrams I have had from various lawyers about the country. I should like to say, for the RECORD, that I am glad they have sent me these messages; and if others read the RECORD and are so disposed, I hope they will continue calling attention to any further citations which may be valuable in determining the question at issue.

I venture to say that the senior Senator from Ohio [Mr. FESS] will be interested in an apparent conflict between Mr. Chief Justice Taney and Mr. Chief Justice Marshall in another case bearing upon the same disposing clause of the Constitution. In the decision from which I have been quoting Mr. Justice Taney makes reference to the decision rendered by Mr. Chief Justice Marshall, as will be seen from the quotation which will follow in a moment. I continue reading from the decision at the bottom of page 441:

Whether, therefore, we take the particular clause in question, by itself, or in connection with the other provisions of the Constitution, we think it clear that it applies only to the particular territory of which we have spoken and can not, by any just rule of interpretation, be extended to territory which the new government might afterwards obtain from a foreign nation. Consequently, the power which Congress may have lawfully exercised

in this Territory, while it remained under a territorial government and which may have been sanctioned by judicial decision, can furnish no justification and no argument to support a similar exercise of power over territory afterwards acquired by the Federal Government. We put aside, therefore, any argument drawn from precedents, showing the extent of the power which the General Government exercised over slavery in this Territory as altogether inapplicable to the case before us.

But the case of the American and Ocean Insurance Cos. *v.* Canter (1 Pet. 511) has been quoted as establishing a different construction of this clause of the Constitution.

I am very glad that Chief Justice Taney saw fit to call up this particular decision. It is significant that wherever the court has started out to justify some procedure by founding the action upon the disposing clause, the court has almost immediately turned to some other clause of the Constitution to make certain that there was another reason for the action. Rarely has the court depended on the authority given by the disposing clause itself.

In this case of the American and Ocean Insurance Cos. Chief Justice Taney said:

There is, however, not the slightest conflict between the opinion now given and the one referred to; and it is only by taking a single sentence out of the latter and separating it from the context, that even an appearance of conflict can be shown. We need not comment on such a mode of expounding an opinion of the court. Indeed it most commonly misrepresents instead of expounding it. And this is fully exemplified in the case referred to, where, if one sentence is taken by itself, the opinion would appear to be in direct conflict with that now given; but the words which immediately follow that sentence show that the court did not mean to decide the point, but merely affirm the power of Congress to establish a government in the Territory, leaving it an open question, whether that power was derived from this clause in the Constitution, or was to be necessarily inferred from a power to acquire territory by cession from a foreign government. The opinion on this part of the case is short, and we give the whole of it to show how well the selection of a single sentence is calculated to mislead. The passage referred to is in page 542—of First Peters—in which the court, in speaking of the power of Congress to establish a Territorial government in Florida until it should become a State, used the following language:

This, of course, is the quotation from Chief Justice Marshall:

In the meantime, Florida continues to be a Territory of the United States, governed by that clause of the Constitution which empowers Congress to make all needful rules and regulations respecting the Territory or other property of the United States.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. TYDINGS. I would not interrupt the Senator, but I know he has been talking quite a long time, and perhaps he would welcome an interruption. I will not interrupt him if he prefers to go ahead.

Mr. COPELAND. I am glad to hear from the Senator.

Mr. TYDINGS. This morning there came up the question as to the relationship which would be in effect after Filipino independence was granted respecting the bonds floated by the Filipino government in this country, as to whether or not the mere assumption of those debts by the Filipino government would be sufficient.

I find that that question has been submitted to the Attorney General, and that the Solicitor General of the United States has delivered himself of an opinion on that particular feature, and if the Senator does not mind the interruption—it is not long—I would like to read it.

Mr. COPELAND. How long is it? I ask because, while I do not mind the interruption, I honestly and truly want to get through to-day.

Mr. TYDINGS. It will take but a very few minutes.

Mr. COPELAND. Very well.

Mr. TYDINGS I read:

This issue and sale of bonds is authorized by the national power and, while in the strict and legal sense, the faith of the United States of America is not pledged as a guaranty for the payment of the loan, or for the due use of the proceeds, or the observance of the sinking-fund requirements, the entire transaction is to be negotiated under the auspices of the United States of America, and by its recognition and aid. There can be no doubt, therefore, that the national power will take the necessary steps in all contingencies to protect the purchasers in good faith of these securities.

That is an extract from a circular of the Bureau of Insular Affairs, November 16, 1926, offering $274,000 of bonds, Philippine Islands, 4½ per cent collateral loan of 1926, due in 1956.

Speaking generally on this situation, Mr. W. Cameron Forbes, in his book the Philippine Islands, has the following to say:

The payment of principal and interest of Philippine government bonds is not guaranteed by the United States Government. However, as the bonds have been issued pursuant to authorization by Congress, the Department of Justice and the War Department have held that these bonds constitute a moral obligation of the United States. In the advertisements offering bonds of the Philippine government for sale, it is the practice of the War Department to quote an extract from an opinion by the Attorney General of the United States, dated August 11, 1921, regarding the liability of the United States for a former issue of Philippine bonds. This might have a very important bearing on the relationship between the Philippine Islands and the United States in case the question of withdrawing the sovereignty of the United States were under serious consideration.

The authorized borrowing capacity of the Philippine government in 1926 had reached $95,870,722.72. The total bonded indebtedness of the Philippine government, including municipal bonds, on June 30, 1926, was $81,815,000. The per capita bonded indebtedness for all branches of the Philippine government in 1913 was $1.29; in 1921, $2.95; and on June 30, 1926, $6.82.

Sinking funds adequate for the retirement of bonds issued by the Philippine government were established and due restrictions imposed regarding their investment. These restrictions were modified and safeguards lessened during the Democratic régime. Early in 1922 the legislature, on the recommendation of Governor General Wood, revised the law, strengthened the safeguards of the sinking funds, and limited the investment of these funds to securities of the government of the Philippine Islands or of the Government of the United States.

May I add that these Filipino bonds, by act of Congress, can be used as a bond for Federal deposits in the United States? There can be no question now but that the opinion of the Solicitor General of the United States, saying that we are morally obligated to make these bonds which the Filipino government has sold to American investors good, and that the matter of their payment, incidental to complete independence, should have prime consideration.

I thank the Senator for the opportunity to make this statement.

Mr. COPELAND. Mr. President, I thank the Senator for his valuable contribution to the debate. I agree fully that our relation with the Philippines is such that there must be resting upon us a very solemn obligation regarding those particular issues.

Mr. President, the editor of the Washington Post was misled, as so many casual readers of the Constitution are, by the apparently clear language of the disposing clause. A little while ago, in a colloquy with the Senator from Ohio [Mr. FESS], I spoke about how important it is always to observe the guarded language used by the court wherever the disposing clause is relied upon at all as justification for a proposed act. In this decision of Chief Justice Taney he quotes a much-cited decision of Chief Justice Marshall. Chief Justice Marshall's decision is one to which I have noted reference time and time again in connection with the written or spoken debate on the pending matter. Please note what Chief Justice Taney has to say about it. He first quotes Chief Justice Marshall's decision, which is as follows:

In the meantime, Florida continues to be a Territory of the United States, governed by that clause of the Constitution which empowers Congress to make all needful rules and regulations respecting the Territory or other property of the United States—

If the decision had stopped there, we would have to admit at once that the court had held that the disposing clause was sufficient reason for the particular government which was placed over Florida. But it goes on:

Perhaps the power of governing a Territory belonging to the United States, which has not, by becoming a State, acquired the means of self-government, may result necessarily from the facts that it is not within the jurisdiction of any particular State and is within the power and jurisdiction of the United States. The right to govern may be the inevitable consequence of the right to acquire territory. Whichever may be the source from which the power is derived, the possession of it is unquestionable.

I do not see how anybody can fail to see that Chief Justice Marshall was quite unwilling to found the Government of Florida upon so unstable a thing as the disposing clause of

the Constitution, and therefore he gave other reasons, and wound up by saying:

Whichever may be the source from which the power is derived, the possession of it is unquestionable.

This is Chief Justice Taney's comment, as appears on page 443:

It is thus clear, from the whole opinion on this point, that the court did not mean to decide whether the power was derived from the clause in the Constitution or was the necessary consequence of the right to acquire. They do decide that the power in Congress is unquestionable, and in this we entirely concur, and nothing will be found in this opinion to the contrary. The power stands firmly on the latter alternative put by the court—that is, as "the inevitable consequence of the right to acquire territory."

And what still more clearly demonstrates that the court did not mean to decide the question, but leave it open for future consideration, is the fact that the case was decided in the circuit court by Mr. Justice Johnson, and his decision was affirmed by the Supreme Court.

I am not going to cite that, but it is found in a note on page 517 of First Peters and is a remarkably clear dissertation on the right of government over acquired territory. I think it is well worth reading.

I turn now to page 446 of Mr. Justice Taney's decision where he said:

This brings us to examine by what provision of the Constitution the present Federal Government under its delegated and restricted powers is authorized to acquire territory outside of the original limits of the United States and what powers it may exercise therein over the personal property of the citizens of the United States while it remains a territory and until it shall be admitted as one of the States of the Union.

We come now to something which ought to be somewhat consoling to the advocates of the pending measure. Mr. Justice Taney says:

There is certainly no power given by the Constitution to the Federal Government to establish or maintain colonies bordering on the United States or at a distance, to be ruled and governed at its own pleasure; nor to enlarge its territorial limits in any way, except by the admission of new States. That power is plainly given; and if a new State is admitted, it needs no further legislation by Congress, because the Constitution itself defines the relative rights and powers, and duties of the State, and the citizens of the State, and the Federal Government. But no power is given to acquire a territory to be held and governed permanently in that character.

I contribute this, Mr. President, to the proponents of the pending measure to give them some consolation.

Mr. Justice Taney continues:

And indeed the power exercised by Congress to acquire territory and establish a government there, according to its own unlimited discretion, was viewed with great jealousy by the leading statesmen of the day. And in the Federalist (No. 38), written by Mr. Madison, he speaks of the acquisition of the Northwestern Territory by the confederated States, by the cession from Virginia, and the establishment of a government there, as an exercise of power not warranted by the Articles of Confederation and dangerous to the liberties of the people. And he urges the adoption of the Constitution as a security and safeguard against such an exercise of power.

We do not mean, however, to question the power of Congress in this respect. The power to expand the territory of the United States by the admission of new States is plainly given; and in the construction of this power by all the departments of the Government it has been held to authorize the acquisition of territory not fit for admission at the time but to be admitted as soon as its population and situation would entitle it to admission. It is acquired to become a State and not to be held as a colony and governed by Congress with absolute authority and as the propriety of admitting a new State is committed to the sound discretion of Congress, the power to acquire territory for that purpose, to be held by the United States until it is in a suitable condition to become a State upon an equal footing with the other States, must rest upon the same discretion. It is a question for the political department of the Government and not the judicial; and whatever the political department of the Government shall recognize as within the limits of the United States, the judicial department is also bound to recognize and to administer in it the laws of the United States, so far as they apply and to maintain in the Territory the authority and rights of the Government, and also the personal rights and rights of property of individual citizens, as secured by the Constitution. All we mean to say on this point is that, as there is no express regulation in the Constitution defining the power which the General Government may exercise over the person or property of a citizen in a Territory thus acquired, the court must necessarily look to the provisions and principles of the Constiution and its distribution of powers for the rules and principles by which its decision must be governed.

I can see no possible objection to the doctrine that, if we admit the right to acquire territory, we have the right to govern it. We do not need to discuss the question of right to acquire territory. We did that last week, pointing out Mr. Jefferson's reluctance to acquire the Louisiana Territory. There can be no doubt in my mind that the right to acquire, once admitted, carries with it the right to govern. It was not necessary to have any disposing clause in the Constitution as regards the territory which might be acquired in later days, because under the implied right to acquire there necessarily follows the right to govern. The rules and regulations which were spoken of in the clause and which were to satisfy Justice Taney must have relation, as he states, to some specific territory, and undoubtedly that was the Northwest Territory.

I quote further from Taney:

Taking this rule to guide us, it may be safely assumed that citizens of the United States who migrate to a territory belonging to the people of the United States, can not be ruled as mere colonists, dependent upon the will of the General Government, and to be governed by any laws it may think proper to impose. The principle upon which our governments rest, and upon which alone they continue to exist, is the union of States, sovereign and independent within their own limits in their internal and domestic concerns, and bound together as one people by a General Government, possessing certain enumerated and restricted powers, delegated to it by the people of the several States, and exercising supreme authority within the scope of the powers granted to it, throughout the dominion of the United States. A power, therefore, in the General Government to obtain and hold colonies and dependent territories, over which they might legislate without restriction, would be inconsistent with its own existence in its present form. Whatever it acquires, it acquires for the benefit of the people of the several States who created it. It is their trustee acting for them, and charged with the duty of promoting the interests of the whole people of the Union in the exercise of the powers specifically granted.

At the time when the Territory in question was obtained by cession from France it contained no population fit to be associated together and admitted as a State; and it therefore was absolutely necessary to hold possession of it, as a Territory belonging to the United States, until it was settled and inhabited by a civilized community capable of self-government, and in a condition to be admitted on equal terms with the other States as a member of the Union. But, as we have before said, it was acquired by the General Government, as the representative and trustee of the people of the United States, and it must therefore be held in that character for their common and equal benefit; for it was the people of the several States, acting through their agent and representative, the Federal Government, who in fact acquired the Territory in question, and the Government holds it for their common use until it shall be associated with the other States as a member of the Union.

If that had been written with particular reference to the Philippines it could not be more definite and more positive. When we took the Philippines and entered into the treaty with Spain, we were acting as the agents of the people of the United States. The ownership of the Philippines is in the people. We have no more right to alienate sovereignty over the Philippines than an attorney at law would have to deed away the property of his client without having explicit power from his client so to do. We are, as Mr. Justice Taney said, "the representative and trustee of the people of the United States."

This vast territory in the Pacific does not belong to the Senators from New York and New Jersey, Michigan, Georgia, and other States. This territory belongs to the sovereign people, the people of the United States, and until they delegate authority by constitutional amendment to this body to act for them, we have no right to presume to alienate sovereignty and dispose of that territory.

But until that time arrives—

Mr. Justice Taney says—

it is undoubtedly necessary that some government should be established in order to organize society and to protect the inhabitants in their persons and property; and as the people of the United States could act in this matter only through the government which represented them and through which they spoke and acted when the Territory was obtained, it was not only within the scope of its powers but it was its duty to pass such laws and establish such a government as would enable those by whose

authority they acted to reap the advantages anticipated from its acquisition and to gather there a population which would enable it to assume the position to which it was destined among the States of the Union.

That is the destiny of the Philippines as I see it. This property is to be held until such time as the Congress determines that it is fit to be incorporated into the United States and become a State of the Union or several States of the Union. That is the one thing that can be done. If we do not want to do that, we ought not to preserve them for ever and ever as colonies, but ought to ask the people of the United States to delegate to Congress the power to alienate sovereignty.

Mr. Justice Taney then proceeds:

The power to acquire necessarily carries with it the power to preserve and apply to the purposes for which it was acquired. The form of government to be established necessarily rested in the discretion of Congress. It was their duty to establish the one that would be best suited for the protection and security of the citizens of the United States and other inhabitants who might be authorized to take up their abode there, and that must always depend upon the existing condition of the Territory, as to the number and character of its inhabitants, and their situation in the Territory. In some cases a government consisting of persons appointed by the Federal Government, would best subserve the interests of the Territory when the inhabitants were few and scattered and new to one another. In other instances, it would be more advisable to commit the powers of self-government to the people who had settled in the Territory, as being the most competent to determine what was best for their own interests. But some form of civil authority would be absolutely necessary to organize and preserve civilized society and prepare it to become a state, and what is the best form must always depend on the condition of the Territory at the time, and the choice of the mode must depend upon the exercise of a discretionary power by Congress, acting within the scope of its constitutional authority, and not infringing upon the rights of person or rights of property of the citizen who might go there to reside, or for any other lawful purpose. It was acquired by the exercise of this discretion, and it must be held and governed in like manner until it is fitted to be a state.

Mr. President, how could any principle be more clearly defined to the people of the United States than that which Mr. Chief Justice Taney has outlined in this famous decision. It points clearly to the path of duty, and I hope that the words of the Chief Justice will be pondered by all those who are interested.

I do not wish to pass from this decision without quoting briefly from the opinion of Mr. Justice Campbell, who concurred in Chief Justice Taney's opinion. I turn to the middle of page 510 to begin my brief quotation from Mr. Justice Campbell. He makes reference here to the Farmer's Letters written by John Dickinson in opposition to the English ministerial measures.

It will be recalled that in 1767—I think that was the year—these letters had much to do with the repeal of the stamp act. They are charming letters, and, if Senators will forgive me for being schoolmasterish for a moment, they will recall the opening paragraph of the first letter, in which the author says:

I am a farmer, settled, after a variety of events, near the banks of the River Delaware in the Province of Pennsylvania. I received a liberal education and have been engaged in the busy scenes of life but am now convinced that a man may be as happy without bustle as with it. Being generally a master of my time, I spent a good deal of it in my library, which I think a most valuable part of my small estate, and have acquired, I believe, a greater knowledge of history and of the laws and Constitution of my country than is generally attained by men of my class.

Mr. Justice Campbell said:

The author of the Farmer's Letters, so famous in the ante-Revolutionary history, thus states the argument made by the American loyalists in favor of the claim of the British Parliament to legislate in all cases whatever over the Colonies: "It has been urged with great vehemence against us," he says, "and it seems to be thought their fort by our adversaries, that a power of regulation is a power of legislation; and a power of legislation, if constitutional, must be universal and supreme, in the utmost sense of the word. It is, therefore, concluded that the Colonies, by acknowledging the power of regulation, acknowledged every other power."

This sophism imposed upon a portion of the patriots of that day. Chief Justice Marshall, in his Life of Washington, says: "That many of the best-informed men in Massachusetts had perhaps adopted the opinion of the parliamentary right of internal government over the Colonies; that the English statute book furnishes many instances of its exercise; that in no case recollected was their authority openly controverted"; and "that the General Court of Massachusetts, on a late occasion, openly recognized the principle."

But the more eminent men of Massachusetts rejected it; and another patriot of the time employs the instance to warn us of "the stealth with which oppression approaches," and "the enormities toward which precedents travel." And the people of the United States, as we have seen, appealed to the last argument rather than acquiesce in their authority. Could it have been the purpose of Washington and his illustrious associates, by the use of ambiguous, equivocal, and expansive words, such as "rules," "regulations," "territory," to reestablish in the Constitution of their country that fort which had been prostrated amid the toils and with the sufferings and sacrifices of seven years of war? Are these words to be understood as the Norths, the Grenvilles, Hillsboroughs, Hutchinsons, and Dunmores—in a word, as George III would have understood them—or are we to look for their interpretation to Patrick Henry or Samuel Adams, to Jefferson, and Jay, and Dickinson; to the sage Franklin, or to Hamilton, who from his early manhood was engaged in combating British construction of such words? We know that the resolution of Congress of 1780 contemplated that the new States to be formed under their recommendation were to have the same rights of sovereignty, freedom, and independence as the old. That every resolution, cession, compact, and ordinance of the States observed the same liberal principle. That the Union of the Constitution is a union formed of equal States; and that new States, when admitted, were to enter "this Union." Had another union been proposed in "any pointed manner" it would have encountered not only "strong" but successful opposition. The disunion between Great Britain and her Colonies originated in the antipathy of the latter to "rules and regulations" made by a remote power respecting their internal policy. In forming the Constitution, this fact was ever present in the minds of its authors.

The people were assured by their most trusted statesmen "that the jurisdiction of the Federal Government is limited to certain enumerated objects, which concern all members of the Republic," and "that the local or municipal authorities form distinct portions of supremacy, no more subject within their respective spheres to the general authority, than the general authority is subject to them within its own sphere." Still, this did not content them. Under the lead of Hancock, and Samuel Adams, of Patrick Henry and George Mason, they demanded an explicit declaration that no more power was to be exercised than they had delegated. And the ninth and tenth amendments to the Constitution were designed to include the reserved rights of the States, and the people, within all the sanctions of that instrument, and to bind the authorities, State and Federal, by the judicial oath it prescribes, to their recognition and observance. It is probable, therefore, that the supreme and irresponsible power, which is now claimed for Congress over boundless territories, the use of which can not fail to react upon the political system of the States, to its subversion, was ever within the contemplation of the statesmen who conducted the counsels of the people in the formation of this Constitution? When the questions that came to the surface upon the acquisition of Louisiana were presented to the mind of Jefferson, he wrote: "I had rather ask an enlargement of power from the Nation, where it is found necessary, than to assume it by a construction which would make our powers boundless. Our peculiar security is in the possession of a written Constitution. Let us not make it blank paper by construction. I say the same as to the opinion of those who consider the grant of the treaty-making power as boundless. If it is, then we have no Constitution. If it has bounds, they can be no others than the definitions of the powers which that instrument gives. It specifies and delineates the operations permitted to the Federal Government, and gives powers necessary to carry them into execution." The publication of the journals of the Federal convention in 1819, of the debates reported by Mr. Madison in 1840, and the mass of private correspondence of the early statesmen before and since, enable us to approach the discussion of the aims of those who made the Constitution, with some insight and confidence.

I do not see how we can turn from that reasoning and be loyal American citizens. This Congress has no more power than is delegated to it by the people. These great exponents of the Constitution have made that clear. Every high-school student knows it; it is taught everywhere; and yet, with no delegation of power to the Congress, it is gravely proposed, Mr. President, that we should turn adrift the Philippines. I can not understand it. To me it is one of the most amazing experiences of life. When the case is so clear-cut, so definite, so conclusive, and is founded on the decisions of the great Justices of our great court, I can not understand how Senators can be willing apparently to disregard the plain facts and situation as it is and to seek to alienate sovereignty without having the power to do it.

Quoting further from Mr. Justice Campbell—he says:

I have endeavored with the assistance of these to find a solution for the grave and difficult question involved in this inquiry. My opinion is that the claim for Congress of supreme power in the Territories, under the grant to "dispose of and make all needful rules and regulations respecting territory," is not supported by the

historical evidence drawn from the Revolution, the confederation, or the deliberations which preceded the ratification of the Federal Constitution.

I purposely added to the extensive quotation from Mr. Chief Justice Taney these words of Mr. Justice Campbell in order that it might be shown that there is no difference of judicial opinion as regards this great question. I read further from the opinion of Mr. Justice Campbell:

The Ordinance of 1787 depended upon the action of the Congress of the Confederation, the assent of the State of Virginia, and the acquiescence of the people who recognized the validity of that plea of necessity which supported so many of the acts of the governments of that time; and the Federal Government accepted the ordinance as a recognized and valid engagement of the Confederation.

In referring to the precedents of 1798 and 1800, I find the Constitution was plainly violated by the invasion of the rights of a sovereign State, both of soil and jurisdiction; and in reference to that of 1804, the wisest statesmen protested against it, and the President more than doubted its policy and the power of the Government.

Mr. John Quincy Adams, at a later period, says of the last act, "that the President found Congress mounted to the pitch of passing those acts, without inquiring where they acquired the authority, and he conquered his own scruples as they had done theirs." But this court can not undertake for themselves the same conquest. They acknowledge that our peculiar security is in the possession of a written Constitution, and they can not make it blank paper by construction.

They look to its delineation of the operations of the Federal Government, and they must not exceed the limits it marks out, in their administration. The court have said "the Congress can not exercise municipal jurisdiction, sovereignty, or eminent domain within the limits of a State or elsewhere, beyond what has been delegated." We are then to find the authority for supreme power in the Territories in the Constitution. What are the limits upon the operations of a government invested with legislative, executive, and judiciary powers, and charged with the power to dispose of and to make all needful rules and regulations respecting a vast public domain? The feudal system would have recognized the claim made on behalf of the Federal Government for supreme power over persons and things in the Territories, as an incident to this title—that is, the title to dispose of and make rules and regulations respecting it.

And so, Mr. President, as I see it, we are going back to the feudal system for the power to alienate sovereignty—a power which certainly has not been given us by any delegation from the American people.

The Norman lawyers of William the Conqueror would have yielded an implicit assent to the doctrine that a supreme sovereignty is an inseparable incident to a grant to dispose of and to make all needful rules and regulations respecting the public domain.

There is a temptation to repeat that to make clear the meaning, the sting of those words:

The Norman lawyers of William the Conqueror would have yielded an implicit assent to the doctrine that a supreme sovereignty is an inseparable incident to a grant to dispose of and to make all needful rules and regulations respecting the public domain.

But an American patriot, in contrasting the European and American systems, may affirm "that European sovereigns give lands to their colonists, but reserve to themselves a power to control their property, liberty, and privileges; but the American Government sells the lands belonging to the people of the several States (i. e., United States) to their citizens, who are already in the possession of personal and political rights, which the Government did not give and can not take away." And the advocates for Government sovereignty in the Territories have been compelled to abate a portion of the pretensions originally made in its behalf, and to admit that the constitutional prohibitions upon Congress operate in the Territories. But a constitutional prohibition is not requisite to ascertain a limitation upon the authority of the several departments of the Federal Government. Nor are the States or people restrained by any enumeration or definition of their rights or liberties.

To impair or diminish either the department must produce an authority from the people themselves, in their Constitution; and, as we have seen, a power to make rules and regulations respecting the public domain does not confer a municipal sovereignty over persons and things upon it. But as this is "thought their fort" by our adversaries, I propose a more definite examination of it. We have seen Congress does not dispose of or make rules and regulations respecting domain belonging to themselves but belonging to the United States.

These conferred on their mandatory, Congress, authority to dispose of the territory which belonged to them in common; and to accomplish that object beneficially and effectually they gave an authority to make suitable rules and regulations respecting it. When the power of disposition is fulfilled the authority to make rules and regulations terminates, for it attaches only upon territory "belonging to the United States."

Consequently, the power to make rules and regulations, from the nature of the subject, is restricted to such administrative and conservatory acts as are needful for the preservation of the public domain, and its preparation for sale or disposition. The system of land surveys; the reservations for schools, internal improvements, military sites, and public buildings; the preemption claims of settlers; the establishment of land offices, and boards of inquiry, to determine the validity of land titles; the modes of entry, and sale, and of conferring titles; the protection of the lands from trespass and waste; the partition of the public domain into municipal subdivisions, having reference to the erection of Territorial governments and States; and perhaps the selection, under their authority, of suitable laws for the protection of the settlers, until there may be a sufficient number of them to form a self-sustaining municipal government—these important rules and regulations will sufficiently illustrate the scope and operation of the third section of the fourth article of the Constitution.

Mr. President, how can we get away from that?

I do not see how the Washington Post or anybody in public or private life can contend for a moment that the disposing clause of the Constitution is sufficient to justify the release of sovereignty. It just can not be done in that way.

In closing, Mr. President, I want to make one more reference to the book on Philippine Constitutional Law of my old friend Mr. Justice Malcolm, associate justice of the Supreme Court of the Philippine Islands, and professor of public law in the University of the Philippines. This, by the way, happens to be a presentation copy which he sent me some years ago.

I regard him as the great authority on this particular subject. I am sorry that he reaches a conclusion which is in opposition to the one I hold; but, nevertheless, I respect him greatly.

On page 169 of his book he says:

Turning to the legal phases, no valid objection to a cession of the Philippines can be seen. Of course, it is true that there is no express provision of the Constitution authorizing a transfer of territory in the possession of the United States to another power.

There is a concession that in his opinion there is nothing in the Constitution which authorizes such a transfer of sovereignty as we are talking about now.

He says, further:

No precedent can be pointed to in which the United States alienated territory indisputably its own to another country. The most that has been done has been to make certain adjustments of boundaries and to remove any cloud to the title of the United States to the region in question. But neither was there an article in the Constitution authorizing acquisition of territory, and neither was there a precedent when Louisiana was purchased, but yet acquisition is recognized as an inherent attribute of the American Government.

If sovereignty permits the United States to secure additional domain, conversely, the same correlative right of sovereignty must permit the United States to dispose of its territory. If the President can initiate a treaty to annex territory and the Senate can approve the treaty, obviously the President and the Senate can, by the same means, cede territory. While acquisition is naturally more pleasing to imperialistic patriotism than cession, the latter is legally just as constitutional. The higher law of national expediency, benefits, or necessity must govern the dealings of one country with another. As the United States Supreme Court has said: "It certainly was intended to confer upon the Government the power of self-preservation." What other great nations have done, the United States can do.

As this is yet merely an academic question, decisive authority is lacking. One line of cases has suggested that the authorization of the State within which the territory is situated would have to be obtained before cession of political jurisdiction could be made to a foreign power. As other authorities have refuted the theory, the stand is made stronger for territory like the Philippines, which is not within the boundaries of any State. But this question is beside the point as to the Philippines.

Neither is the argument of Mr. Justice White in Downes *v.* Bidwell applicable because that concerned territory which is "an integral part of the United States," and the Philippines have been held by the United States Supreme Court to be an unincorporated territory, thereby conceding in a way that because of their status the Philippines might be sold or traded.

I should have to dispute the particular interpretation which Mr. Justice Malcolm has placed upon the language of Mr. Justice White, but it is of no particular moment in the argument which I am hoping to make in a moment regarding it.

Moreover, in the same series of cases, Mr. Justice Brown remarked that, when territory is "once acquired by treaty, it belongs to the United States, and is subject to the disposition of Congress."

But the question before the court in the Insular cases did not directly decide the point under consideration for the Philippines.

We gain a little light when we find that several treaties concerning boundary disputes have surrendered areas claimed by the United States to foreign powers, even going so far as to make use of words of cession. Outside of this we also find legislative opinion, judicial dicta, and textbook conclusion.

Thus, when the Federal Constitution was before the convention of the State of Virginia for ratification, Gov. Edmund Randolph, opposing a proposed amendment regulating treaties ceding, contracting, restraining, or suspending the territorial rights or claims of the United States, said: "There is no power in the Constitution to cede any part of the territories of the United States." But when the treaty for the Louisiana Purchase was before Congress, Mr. Nicholson, speaking for the administration, said: "The territory was purchased by the United States in their confederate capacity and may be disposed of by them at their pleasure." Again, when Edward Everett, then Governor of Massachusetts, confidentially asked the opinion of Mr. Justice Story concerning a resolution of the Massachusetts Legislature, in which it was declared that no power delegated to the Constitution of the United States authorized the Government to cede to a foreign nation any territory lying within the limits of a State of the Union, Mr. Justice Story, in his reply, recalled a conversation previously had on the subject with Mr. Chief Justice Marshall. "He was," said Mr. Justice Story, "unequivocally of the opinion that the treaty-making power did extend to cases of cession of territory, though he would not undertake to say that it could extend to all cases; yet he did not doubt it must be construed to extend to some."

Of course, he was talking about a cession of territory to straighten out boundaries—an entirely different thing from the alienation of sovereignty.

Finally, an argument could be put forth, predicated on the clause of the Constitution empowering Congress "to dispose of" territory.

Doctor Willoughby, in his standard treatise on the Constitution, after a review of the authorities and of the principles underlying them, expresses the opinion that "the United States has, through its treaty-making organ, the constitutional power, in cases of necessity, to alienate a portion of, or the entire territory of a State or States. The same reasoning which supports the power of the United States as a sovereign power in international relations to annex territories is sufficient to sustain its power to part with them, even should the area so parted with be a part of one of the States or include one or more of them.

Although other corroborative authority could be cited, it would seem more logical and consistent to base the right of the United States to alienate unincorporated territory on the fundamental principle of sovereignty, reinforced to an extent by the very fact that territory in this position is not yet a part of the United States.

That quotation from Malcolm covers the whole case so far as any argument can be brought forth to justify the pending measure; but you see how guarded the language is. Mr. Justice Malcolm realizes and says that so far as the disposing clause is concerned, there is nothing to that; and, so far as I am concerned, I am satisfied that the only way we could dispose of unincorporated territory, the unincorporated Philippine Islands, would be by treaty with a power equal to ours. By treaty it might be done. But we can not make a treaty with ourselves. We can not make a treaty with the Filipinos, because they are our people. There is no coordinate power with which we can deal.

Mr. President, in all frankness, with the testimony of these great jurists before us, how can we think for a moment of alienating sovereignty over the Philippines? By treaty with another power, perhaps, in case of a calamitous war, certainly by treaty, the Philippines or any other territory could be ceded.

As I have studied the problems involved, I have become convinced that we could incorporate them, when the time came, and admit them to statehood, or we could turn to the American people and ask them to delegate the power to us to justify granting the Filipinos their freedom, as is proposed by the bills before us.

When the Filipinos have their freedom I want them to have the whole grant. I do not want it to come through sordidness or selfishness. I want it to come because of the genuine desire of the liberty-loving people of the United States to pass on to our friends across the Pacific the same degree of liberty which we possess.

Mr. President, I realize that these bills will be brought together in some form and a measure will be enacted. But I have thought it my duty, in view of the study I have given the subject, to express the conviction which I have, that we have no right under the Constitution to pass such a law.

Mr. SCHALL. Mr. President, I ask unanimous consent to have printed in the RECORD a wire from John Brandt, president Land O'Lakes Creameries, Minneapolis, Minn., pertaining to the Philippine independence bill now under consideration.

There being no objection, the telegram was ordered to lie on the table and to be printed in the RECORD, as follows:

MINNEAPOLIS, MINN., *December 13, 1932.*

THOMAS D. SCHALL,
United States Senate, Washington, D. C.:

Would not favor passage of Philippine bill unless provisions provide tariff take effect immediately. Four years from now may not do any good. Tariff on all imports, foreign oils, and fats should be raised to point where they will actually protect American farmer. Protection more essential than independence.

JOHN BRANDT,
Land O'Lakes Creameries.

TROOPS AT CAMPS STEPHEN D. LITTLE AND HARRY J. JONES

Mr. HAYDEN. Mr. President, I submit a resolution, and ask for its present consideration.

The PRESIDING OFFICER. The clerk will report the resolution for the information of the Senate.

The resolution (S. Res. 306) was read, as follows:

Senate Resolution 306

Whereas under section 315 of the legislative appropriation act, approved June 30, 1932 (Public, No. 212), "the President is authorized, during the fiscal year ending June 30, 1933, to restrict the transfer of officers and enlisted men of the military and naval forces from one post or station to another post or station to the greatest extent consistent with the public interest"; and

Whereas the purpose of said section was to effect economies in the way of limiting the amount to be expended on travel by and within the military and naval forces; and

Whereas the Secretary of War has issued orders for the removal of troops from Camp Stephen D. Little and Camp Harry J. Jones, Ariz., thereby incurring a needless travel expense and imposing an additional charge on the United States Treasury, all of which is inconsistent with the intent and purpose of section 315 of said act; and

Whereas in addition to imposing an extra burden of expense on the Treasury in contravention of said act, the removal of said troops from Camp Stephen D. Little and Camp Harry J. Jones will withdraw from the cities of Nogales and Douglas, Ariz., a substantial pay roll upon which these two communities greatly depend for their present commercial existence; and

Whereas the removal of said troops, by reason of the consequential loss of said pay roll, will make the present deplorable conditions in said cities more desperate and will make necessary additional drains on the Treasury through the Reconstruction Finance Corporation for direct relief: Now, therefore, be it

Resolved, That the Secretary of War be and is hereby requested to direct that the troops heretofore stationed at Camp Stephen D. Little and Camp Harry J. Jones be retained at said posts and that all orders for the transfer of said troops be rescinded.

Mr. McNARY. Mr. President, it is the expressed desire of the senior Senator from Pennsylvania [Mr. REED] to be present when that matter is brought up for consideration, and therefore, in his absence, I object.

Mr. HAYDEN. Then let the resolution go over under the rule.

The PRESIDING OFFICER. The resolution will go over under the rule.

Mr. McNARY. Should not the resolution be referred to the standing committee having general jurisdiction?

The PRESIDING OFFICER. The Chair thinks that the resolution would in the usual course go to the Committee on Military Affairs.

Mr. HAYDEN. I would prefer to have it go over under the rule.

The PRESIDING OFFICER. If the Senator asks for immediate consideration and objection is made, the resolution will go over under the rule; and objection having been made, that order will be entered.

INTERNATIONAL CONGRESS OF MILITARY MEDICINE AND PHARMACY

Mr. COPELAND. Mr. President, I suppose this is a bad time for me to ask anything from the Senate, having occupied so much of the time of the Senate to-day, but on the table is Senate Joint Resolution 217, authorizing the President to invite the International Congress of Military Medicine and Pharmacy to hold its eighth congress in the United States in 1935. They are to meet in Madrid in January.

This is an organization of men devoted to building up methods of protection of the people in the case of warfare. The joint resolution involves the expenditure of no money. I have spoken to the chairman of the Committee on Foreign Relations about it. It is important to have it passed now, because it is a joint resolution and must go to the House, and it is necessary to get the invitation across the water by the 1st of January.

Mr. McNARY. Mr. President, when this matter was first called to the attention of the Senate on yesterday, some Senator on the Democratic side objected to its immediate consideration.

Mr. COPELAND. It was the senior Senator from Montana [Mr. WALSH] who did not want what appeared to be a filibuster going on. He had no interest in this matter.

Mr. McNARY. I see the Senator from Montana present. I was going to object if he had not come into the Chamber.

Mr. COPELAND. I am very confident the Senator from Montana has no objection. The Senator said to me yesterday he had no interest in the matter. Does the Senator have any objection?

Mr. WALSH of Montana. The Senator is referring to the joint resolution spoken of yesterday?

Mr. COPELAND. Yes.

Mr. WALSH of Montana. I have no objection to its passage.

Mr. McNARY. Does the joint resolution carry an appropriation?

Mr. COPELAND. It carries no appropriation.

Mr. McNARY. I have no objection.

There being no objection, the joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That the President of the United States is authorized to invite the International Congress of Military Medicine and Pharmacy to hold its eighth congress in the United States in 1935.

FOREIGN DEBTS

Mr. HARRISON. Mr. President, I give notice that to-morrow, on the convening of the Senate, I shall occupy the time of the Senate for a brief period to speak on the foreign debts.

Mr. McNARY. Immediately on the convening of the Senate?

Mr. HARRISON. Yes.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock to-morrow.

The motion was agreed to; and the Senate (at 4 o'clock and 55 minutes p. m.) took a recess until to-morrow, Friday, December 16, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

THURSDAY, DECEMBER 15, 1932

The House met at 12 o'clock noon.

The Rev. John Compton Ball, pastor of the Metropolitan Baptist Church, Washington, D. C., offered the following prayer:

We thank Thee, O God, for the beauty of this day. That after days of storm and gloom the physical sun has dissipated the clouds and flooded the land with the glory of its light, and we pray that so may the sunshine of Thy blessed presence pierce all clouds of depression and doubt and flood our hearts with the glory of hope and happiness. O God, hasten the day when prosperity shall reign and homes ring with the songs of happy mothers and the laughter of well-nourished children. To this end bless this House of Representatives. Give to our Speaker and every Member wisdom from on high that Thy will may be done in the government of our country.

Hear our prayer for the nations over the sea that they may not lose their sense of gratitude, and with equal fervor we plead that we may not lose our sense of grace. May "hands across the sea" be clasped in gratitude and grace, and the tie that binds minister to the universal brotherhood of men and the spiritual uplift of the world. In Jesus' name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had agreed to the amendments of the House to bills of the Senate of the following titles:

S. 4023. An act providing for the closing of barber shops one day in every seven in the District of Columbia; and

S. 4123. An act to amend the District of Columbia traffic acts, as amended.

The message also announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 42. Concurrent resolution amending section 6 of the House concurrent resolution establishing the United States Roanoke Colony Commission.

INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. TAYLOR of Colorado, from the Committee on Appropriations, reported the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes (Rept. No. 1792), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the state of the Union and ordered printed.

Mr. THATCHER reserved all points of order.

THE PUBLIC INTEREST IN RAILROADS AND OTHER FORMS OF TRANSPORTATION

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein some remarks I made over the radio on the problems of transportation.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. RAYBURN. Mr. Speaker, under the leave to extend my remarks in the RECORD I include the following:

RADIO ADDRESS OF HON. SAM RAYBURN, OF TEXAS, CHAIRMAN OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, SATURDAY, OCTOBER 8, 1932

Our modern system of transportation is highly developed and very complicated. It is the result of hundreds of generations of human experience. If we go back through the ages far enough we come to a time when man possessed nothing but his hands with which to get food, to protect himself, and to satisfy his needs. The first men who began in that situation had to learn everything for themselves. By slow experience and long effort we have continued to learn.

When the first tool was invented we do not know. What it was we can not conjecture. But every tool, however simple, had to be invented. Each tool or device we now have grew out of an earlier invention, and each would have been impossible but for the discoveries which went before it. We could go back to where there would be no one to build a cart because no one had invented a wheel. A few thousand years ago there were no sailors to pilot people across the seas because no ships had been built. Perhaps the earliest transportation by water consisted of merely floating downstream on driftwood or on a log. Experience and skill were acquired in guiding the drifting timber. Then came efforts to stabilize the log, and finally there was developed a raft, a canoe, the small boat, and the use of oars. Men learned to go upstream as well as down. For generations they hugged the shore of the mainland. Finally sails were attached to boats. About 5,000 years ago sailboats began to put out to sea. We know that Egyptians had sailing ships during the twenty-eighth century before Christ.

In the late eighteenth century there were an astonishing number of inventions. At first it was thought that the new machinery would be run by water power. James Watt took the lead in developing a steam engine. He labored from 1763 to 1819. In 1785 steam was first used to run spinning machines in a factory at Popplewick in Nottinghamshire. The tremendous development of labor-saving machinery and the use of steam in supplying the power increased the volume of goods to where transportation became one of the most important problems of the nineteenth century.

With improvement in seagoing vessels and the opening up of markets in new countries, the problem of transportation within a particular country became all-absorbing. West of the Appalachian Mountains a whole continent pregnant with limitless

resources beckons to the hardy pioneer. These frontiersmen rapidly occupied the land along every navigable stream. River boats were developed and steam applied to their operation. Canals were dug, opening up fertile lands which had not been favored by nature with water transportation. Hard-surfaced roads were built at tremendous sacrifice. Covered wagons, canal boats, river craft of every description, appeared in answer to the insistent demand for transportation. Still there were fertile plains which could not be reached by any kind of water transport. Their expanse was so great that transportation on hard-surfaced roads with wagon and teams became prohibitive in cost. Those with the hardihood to preempt the virgin soil of the West found themselves practically cut off from civilization except for an annual excursion with pack animals or the lumbering oxcart. Thomas Jefferson thought it would take a thousand years to occupy all the land acquired by the Louisiana Purchase.

About 1830 came the application of steam to transportation. The Baltimore & Ohio Railroad four years ago in the Fair of the Iron Horse set forth in a most dramatic way the early beginnings in the development of rail transportation. At first it was believed that railroads would merely supplement water transport on canals and navigable streams. By 1850 the railroad demonstrated its superiority to all other means of transportation. The infant railroad industry was opposed by canal companies and by those engaged in transport on the highways. Toll companies and livery-stable operators made common cause with the canal companies in fighting the new railroads.

The railroad was rapidly used to tie the Pacific to the Atlantic, to bind the new possessions acquired from Mexico to the rest of the country, and to bring to the markets of the world grain and cotton grown in the heart of the American continent. So rapid was our development as a result of rail transportation that at the outbreak of the World War 35,000,000 of our people were using machinery and labor-saving devices in producing goods that had a market value of more than $25,000,000,000 a year. Contrast this great output supporting nearly 100,000,000 people with the production carried on by the Indians when America was discovered. The Indians had the same gifts of nature that we now enjoy. With their economy they could sustain only 500,000 people. To-day, by reason of rapid transportation, Americans are able to utilize their manifold machinery to bring from nature's storehouse goods sufficient to sustain more than 100,000,000 people.

The American economy, the American industrial development, the American civilization is based upon rapid transportation of goods. The very life of cities, of farms, of ranches remote from water transportation depends upon rail transport. Our second largest city, Chicago, would be a small lake port without the network of railroads spreading to the West, the South, and the East. Rail transportation has transformed Baltimore, Philadelphia, New York, and Boston from rambling salt-water towns to the fairest cities of human history. By reason of rapid transportation cities like Dallas, Omaha, Kansas City, Denver, Salt Lake City, and a hundred others have been built where a few years ago the wild beasts of the plains roamed undisturbed.

It was inevitable that grave economic and political problems should appear as by-products of so rapid a development. We were so eager to get the railroads that the public lavished its credit and gifts of the public lands to hasten railway construction. Greedy and selfish men took advantage of the situation. There were the railway scandals of the Grant administration reaching even to the Cabinet of the President of the United States, as shocking as the more recent scandals in connection with the oil industry which flowered in the Cabinet of President Harding.

Such abuses called for correction. Moreover, by 1870 it was apparent that railroad transportation had become essentially monopolistic. Competition can not be relied upon to regulate a business which is in character a monopoly, and where competition brings evils of cutthroat discrimination and receiverships of such magnitude as to precipitate financial panics nation-wide in scope. In 1887 the Congress passed the act to regulate commerce. This was directed toward the most apparent evils that had grown out of irresponsible individualism applied to an industry which was monopolistic in character. John H. Reagan, of Texas, was the leader, who perhaps had more to do with framing the act of 1887 than any other Member of Congress.

In 1920 when the railroads after the war were turned back to their owners, the transportation act was written as an amendment to the act to regulate commerce. The purposes that lay behind that legislation were to protect the shippers from being charged all the traffic would bear; to protect employees in their bargaining power with giant corporations enjoying monopoly privileges; to assure that the public would benefit from economies effected by the management; and to maintain adequate transportation for every American community. To protect the wage earners, particularly in their rights to bargain collectively and toward assuring continuous service, there was provided the labor board for which Congress later substituted the board of mediation; to insure continuous traffic on the weak lines there was a provision for consolidation of the weak with the strong lines; to assure the country that there would be an adequate transportation system, capital was promised a rate structure which would be devised by the Interstate Commerce Commission, and which would yield a fair return on the fair value of the railroad properties; and as a device to prevent some exceptionally located carrier from making excessive profits it was provided that one-half of the earnings of a particular corporation in a given year above the fair return should be recaptured into the Treasury of the United States to be used for purposes defined in the law.

Since the transportation act of 1920 became law there have been revolutionary changes in our transportation situation. In 1920 we were dealing with the railroads as monopolies. In 1932 they have ceased to have a monopoly. New and competing forms of transportation have been developed during the last few years. We have built in this country tens of thousands of miles of hard-surfaced roads. In many instances we have paralleled our railroads with our new highways. There have appeared upon these highways great fleets of trucks, busses, and millions of privately owned cars. Congress has expended many millions of dollars in flood control, and incidentally in improving our navigable streams to where it is more economical to transport by water some commodities which are nonperishable and which do not call for rapid movement. Pipe lines for the transport of oil have become almost transcontinental in their extent. Other pipe lines for the transport of natural gas now constitute a well-nigh transcontinental system. Still others are being utilized for moving gasoline over long distances. Again we have developed our power industry to where electricity is sent by copper wire from generating plant to consumer at great distances, thus cutting down the necessity for moving much coal by rail. Finally, transport by air is becoming increasingly important in moving passengers and the most valuable express packages. The telephone, the telegraph, and the radio supplement and make effective these new and competing forms of transportation.

All this means that the act to regulate commerce, as it has been amended, must be further amended. In recognition of this revolutionary development we shall have to deal with the railroads in the future not as altogether monopolistic but only as partially so, or as possessing monopoly privileges only in certain particulars. We must recognize the new and competing forms of transportation and subject them likewise in so far as necessary to congressional regulation as we were forced to regulate the railroads when they became important in interstate commerce.

There is one school of thought which would use the power of Congress to retard the development and use of the new means of transport. There is another school which would likewise use congressional power through inaction of government to let the new forms of transport run wild, as it were, and engage in all the practices of discrimination between individuals and localities which have been condemned and forbidden in rail transportation and disregard safety on the highways while enforcing strict and expensive regulation to assure safety on the steel highways. I do not agree with either of these extremes. The power of government should never be used to put a legitimate competitor out of business. But it is the duty of government to place under similar reasonable regulation businesses that are competitive and where the public interest requires regulation. I do not believe that the Government should lend its power to suppress a new and developing labor-saving device merely to protect the profits of those engaged in using an older form. On the other hand, I do not believe that the Government through its inaction or indifference should ignore the safety of person and property and leave without remedy the abuses and discrimination which may be as prolific among those engaged in the new forms of transport as formerly they were among the railroads. The people of this country are entitled to the most economical and convenient method of transporting their goods. The new forms of transport must be given a fair chance, but they should not be unduly subsidized at public expense. The railroads must be protected from unfair discrimination without being given an undue advantage over their competitors. On June 21 I introduced a bill to regulate busses and trucks in interstate commerce. I expect to ask for hearings on that bill at the short session, and I am hopeful that Congress may act upon it.

I can see nothing at present which indicates that the railroads will become obsolete. In fact, the new and competing forms of transport appear to me to be largely supplementary to our railroads. Only in minor cases will they be able to supplant the railroads. The highways, pipe lines, new boat lines, and airways will make unnecessary the construction of additional trackage which otherwise would have been built. Apparently, most of the existing trackage, particularly the main stems, will be needed indefinitely. With further development of the country, we will need both the new forms of transport and our railroads, and the railroads will find themselves busy and prosperous.

The present plight of the railroads is due only in part to the appearance of the new and competing forms of transport. The greatest immediate difficulty has been the present financial depression. That is more serious than it first appeared, because it has turned out to be the result of a mistaken policy on the part of our Government; unwise traffic laws, complete neglect of markets for agricultural products, a deliberate and conscious diversion of the savings of the people into expanding industrial plants for foreign markets which were artificially created by lending our people's money abroad—all has resulted in a dislocation of the factors of production in this country, which will require time to readjust. As a consequence car loadings on the railroads are the lowest in many years. Farmers are getting only 7 per cent of the value of the national income instead of 15 per cent of a few years ago, though they are producing about the same quantity of goods as before. That has destroyed their purchasing power to such an extent that many of our factories have had to close down. For example, manufacturers of farm machinery have been running in recent months only 15 per cent normal capacity. With more wisdom in national affairs, the railroads will find themselves with increasing business.

It is not sufficient for the Government merely to lend money to the railroads. The taxpayers in this country can not be expected indefinitely to carry the deficits of those corporations. Yet to permit the railroads to go into receiverships will affect the insurance companies and the savings banks to such an extent as to bring our country disaster as great as that of losing a major war. The mere lending of money by the Government is a palliative; it is treating the symptoms. Something more fundamental must be done.

First, we must win back our foreign markets for agricultural products and readjust our production and distribution on a basis which will enable our manufacturers and farmers to prosper together. Second, in regulating the means of interstate commerce we must recognize that the railroads have ceased to have a monopoly in transportation. Our interest in wage earners must include those who work in the new and competing agencies of transport As a government we must not limit our interest in the workers to any one group. We must insist upon reasonable hours, decent working conditions, devices for safety of person, and fair wages for workers in the new and developing lines of transportation along with those on the railroads. Our views as to consolidation will have to be revised in the light of changed conditions. The weak lines of railroad which we hoped to save through consolidating them with strong lines under the act of 1920 have in many instances already been scrapped. In some instances the consolidations which we desired have been effected. In many other cases a hard-surfaced road with trucks and busses has reached out to the communities which 10 or 12 years ago were wholly dependent upon a weak railroad. The consolidations should not merely call for preserving service on weak railroads but should enable the transportation companies to experiment in coordinating the various agencies of transportation so as to sell the shippers and passengers the transportation they want at the time they want it at the lowest rate which would be fair to all interests. That does not mean that the railroads should be given a monopoly of transportation with a view to strangling the new and competing forms.

The holding company properly regulated will be a device for effecting such experimentation until its success is demonstrated, when complete amalgamation and consolidation would logically follow. The holding company heretofore has been used, not only for such purposes but we have found upon inquiry that it has also been utilized to get around the law, to inflate capitalization, and to thwart the policies of the Government. The people of this country want such abuses stopped and they want the opportunity for irresponsible exploitation to be taken away from men who think more of their own power than they do of the public welfare.

The committee of which I am chairman held hearings on a bill to regulate railroad holding companies at the long session of the present Congress and reported the bill favorably. It is now on the calendar of the House of Representatives, and it is my expectation that this bill will pass during the coming short session. When Congress permitted railroads to consolidate with the approval of the Interstate Commerce Commission, it was not contemplated that one financial interest should acquire two or more railroads through the device of a holding company without saying anything to the Interstate Commerce Commission about it. To permit that sort of thing is to render ineffective the attempt of Congress to regulate the consolidation of railroads in the public interest. The railroad holding company bill is designed to correct this evil and to force holding companies that own two or more railroads to make public through the Interstate Commerce Commission their accounts and to get the authorization of the commission before they issue securities based on their ownership of railroads.

When we looked upon the railroads as complete monopolies, we understood that rates which would be reasonable for all of them would permit some of them to make more than a reasonable return. Congress therefore provided for recapture of what were termed "excess earnings"; that is, a recovery into the Treasury of the United States of one-half of the excess above 5¾ per cent earned any year on fair value. This money as received was to be loaned to the weaker railroads. This provision has become obsolete, first, because the railroads are no longer in the position of complete monopoly. Second, because experience has shown that the Interstate Commerce Commission, with all the money and facilities furnished by Congress can not evaluate the railroads, compute the earnings, and collect the excess within any reasonable time. Again, the recapture of these earnings which were enjoyed before 1929 by particular railroads, if enforced, would put most of such roads into receivership. The Government of the United States is loaning large sums of money to some of these very roads or affiliated systems to keep them out of bankruptcy. Wouldn't it be the height of folly to loan them money from the Treasury of the United States to prevent bankruptcy and then to ask the Attorney General to institute legal proceedings based upon earnings for a particular year before 1929 which would result in receivership if the Attorney General should succeed in his effort?

I am therefore in favor of repealing the recapture provision of section 15 (a) of the act of 1920, and a revision of the rate-making section thereof. Recapture can be accomplished only after long, bitter, and expensive lawsuits, in which the railroads would assert that the sum they had earned was far less than claimed by the commission. Why go through all that expense and futile litigation when we know that if the Government were successful it would merely force the railroads into receivership? The railroads do not have that money in cash; they spent it for terminals, new locomotives, grade crossings, and the like, which are now not being used to their capacity.

The committee of which I am chairman last spring reported out a bill to repeal the recapture provision of section 15 (a) and to rewrite the rate-making provision of that section. This bill is now on the calendar of the House of Representatives and it will no doubt receive careful consideration of the Congress at the coming short session.

Our legislation with reference to transportation must be constructive. We rely upon private initiative to develop the most economical means of transporting our goods. It is the business of Government to see that those with initiative and leadership are protected in the enjoyment of the fruits of their services to humanity and that the public is protected from the abuses which are incident to the imperfections of human nature and which creep into large enterprises for the reason that human beings are not all perfect either in their capacity to judge or in their estimate of their duty to their fellowmen. Every group in our country, the farmer, the manufacturer, those engaged in transportation and finance, must prosper together. Unless there is fair play and mutual advantage and the opportunity for all to achieve a fair income every group will in the end suffer. Our economic relations have become so interdependent that we must go up together or go down together. It is the business of Government to protect, to correct, and in certain instances to stimulate; but there must be reliance upon the individual for actual performance.

TREASURY AND POST OFFICE DEPARTMENTS APPROPRIATION BILL

Mr. BYRNS. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13520, with Mr. McMILLAN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. The question is on the motion of the gentleman from Texas [Mr. BLANTON] to strike out the enacting clause; and on that question a division has been demanded.

The committee divided; and there were—ayes 0, noes 18.

So the motion was rejected.

The Clerk read as follows:

For the inland transportation of mail by aircraft, under contract as authorized by law, and for the incidental expenses thereof, including not to exceed $27,500 for supervisory officials and clerks at air mail transfer points, and not to exceed $34,000 for personal services in the District of Columbia and incidental and travel expenses, $19,000,000.

Mr. EATON of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in the hearings upon the air mail there was some colloquy between the Assistant Postmaster General and three members of the subcommittee tending to show what has been said is a prejudice on the part of the committee members towards certain air mail routes. I am quite sure there is no prejudice on the part of the members of the committee, and that the mere fact that after the last appropriation was made one route was reestablished and two or three new routes added does not indicate any desire on the part of the committee toward directing the Post Office Department to stop these operations. I ask the chairman of the committee——

Mr. BYRNS. I will say to the gentleman that I am quite sure I speak for the entire committee with positive assurance when I say there is no element of prejudice which entered the minds of any of us with reference to action upon this particular item or any other item in the bill with respect to any appropriation or any activity of the service. We try to look at this from the standpoint of the taxpayer and the Treasury and the best results to be obtained.

Mr. EATON of Colorado. I notice from the recommendation and the amount contained in the bill that $1,000,000 was cut off from the amount recommended by the Post Office Department. The recommendation of the department was $20,000,000, the proposed appropriation is $19,000,000, bringing it down to the same figure that was origi-

nally appropriated by the House last year. I understand, from speaking with members of the committee, it is expected the Post Office Department will spread this $19,000,000 over the entire service in accordance with their own administrative program.

Mr. BYRNS. I will say to the gentleman, with reference to the reduction to which he refers, that the estimate was for $20,000,000. The appropriation carried for the present year is $19,460,000. The House last year adopted an appropriation of $19,000,000. When it went to the Senate, despite its great claim for economy, it put on $460,000 and earmarked it for two projects, one of which was to restore night service upon the line from Los Angeles to Salt Lake, which had been cut out voluntarily by the Postmaster General upon the theory that it was not justified in any sense of the word. The Postmaster General was very emphatic in his statement to the committee during the hearings that it was not justified, and even in the recent hearings said that in his opinion it was not justified; but the Senate put that on and then earmarks were taken off, and finally after repeated conferences it was agreed to.

The House felt this way about it: It did not care to increase this subsidy at this particular time. We were told there is going to be a new conference held either the last of this year or the first of next year between the Postmaster General and these contractors and that there is a possibility that $600,000 may be saved as a result of this conference in reducing some of the rates. Of course, if this $600,000 is saved, it is so much more that can be applied to this particular service.

In addition to this, we felt that since the Senate, contrary to the action of the House and contrary to the recommendations of the Postmaster General, had put this additional $460,000 on this appropriation, it was in a sense its own baby and that it could take care of it if it wished to do so when the matter came up over there. We did not feel we were authorized in recommending anything else.

[Here the gavel fell.]

Mr. EATON of Colorado. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. THOMASON. Will the gentleman yield for a question?

Mr. EATON of Colorado. May I first answer the statement of the gentleman from Tennessee [Mr. BYRNS]?

Looking backward to what occurred during the year I notice from the statement of the Second Assistant Postmaster General that he stated in the hearings in reference to this route 34 that "Los Angeles is the largest producer of air mail," and he said that "we would have had to spend that money on route 34 out of Los Angeles, because the mail volume was growing so fast that some additional service was necessary." I read the citation from the hearings, page 158.

I did not mean to stir up any controversy over the establishment of any new routes, but I did hope that the attitude of the committee was that the $19,000,000 was intended to be spread over all the service of air mail and that they did not reduce the request of the department a million dollars for the express purpose of cutting out the Los Angeles and Salt Lake service. I would like to ask the chairman if that is the reason?

Mr. BYRNS. No. We cut it down, because the Postmaster General made this statement before the committee. I read from page 20 of the hearings on this bill. He says:

> Now that we have a direct line from Los Angeles and southern points through Albuquerque and Kansas City east, the mail destined to New York is not routed through Salt Lake City any more. That is what made Mr. Glover and me think that this service is not an essential service and that the money could be more profitably spent some place else.

In spite of what Mr. Brown said somebody ordered the route continued. I may say that I do not want to violate the rules of the House, but it is said that a very distinguished gentleman who has been a Member of the United States Senate for a long time was very instrumental in having that done.

Mr. THOMASON. Will the gentleman yield for me to ask the chairman of the committee a question?

Mr. EATON of Colorado. I yield.

Mr. THOMASON. Does this reduction in the appropriation for air mail contemplate putting into effect the recommendations of Professor Crain to the Post Office Committee for the abandonment of the air mail route between Fort Worth and El Paso? If it does, I am opposed to the reduced appropriation and desire to be heard.

Mr. BYRNS. No; the committee did not take up the questions of routes or the abandonment of any existing projects.

Mr. THOMASON. Then, as I understand you, the appropriation is to be spread out over existing lines?

Mr. BYRNS. It is to be used by the Postmaster General in carrying on the service. That is a matter addressed to his discretion. We make the appropriation, and the Postmaster General makes the contracts.

Mr. EATON of Colorado. I am glad to have the explanation by the chairman of the committee. It seemed to me that there would be no prejudice on the part of any of the members of the Committee on Appropriations of the House, that they would not enter into the giving of special directions as to the actual operation of air mail routes.

Mr. THATCHER. Will the gentleman yield?

Mr. EATON of Colorado. I yield.

Mr. THATCHER. This is an administrative matter. This appropriation is not made for or against any lines in operation or to be put into operation. The subcommittee has believed that these matters ought to be left to the administrative officers of the Government.

[Here the gavel fell.]

The Clerk read as follows:

> For the purchase, manufacture, and repair of mail bags and other mail containers and attachments, mail locks, keys, chains, tools, machinery, and material necessary for same, and for incidental expenses pertaining thereto; also material, machinery, and tools necessary for the manufacture and repair in the equipment shops at Washington, D. C., of such other equipment for the Postal Service as may be deemed expedient; for compensation to labor employed in the equipment shops at Washington, D. C., $900,000, of which not to exceed $550,000 may be expended for personal services in the District of Columbia: *Provided*, That out of this appropriation the Postmaster General is authorized to use as much of the sum, not exceeding $15,000, as may be deemed necessary for the purchase of material and the manufacture in the equipment shops of such small quantities of distinctive equipments as may be required by other executive departments; and for service in Alaska, Puerto Rico, Philippine Islands, Hawaii, or other island possessions.

Mr. STAFFORD. Mr. Chairman, I move to strike out the last word. The paragraph under consideration carries an appropriation which has been drastically reduced, by almost 33⅓ per cent, from the amount carried in existing law. A reading of the paragraph would lead one to believe that the expense is somewhat constant. Last year we appropriated $1,450,000, and this year the committee recommends $900,000. The Budget also made a recommendation for a decided cut, but the committee went even $50,000 beyond the recommendation of the Budget. Can the chairman of the committee inform the House the reason for this inordinate cut over the appropriation last year, for what must obviously be current expenditures?

Mr. BYRNS. One main reason is the fact that the price of canvas has been greatly reduced, and it is not the purpose of the department to manufacture as many mail bags next year as were manufactured this year. I think they limit it now to about 350,000. My recollection of the testimony is that they have about 17,000,000 of these bags. These bags last on an average of from 12 to 16 years, and the normal requirements are about 1,000,000 a year; but it is stated that they really only needed this excess quantity at certain periods of the year, like the Christmas holidays. The committee felt, and I think the department felt, that on account of the reduction in the cost of material, canvas, it was possible to reduce the number to be manufactured and save this money.

Mr. STAFFORD. I assume from the gentleman's statement that the Postal Service has an oversupply of equipment in the form of mail bags.

Mr. BYRNS. I would not say that they have an oversupply in normal times, but they have with the present amount of mail being handled.

Mr. STAFFORD. For the present postal needs by reason of the depressed business conditions.

Mr. BYRNS. Yes.

Mr. STAFFORD. From the gentleman's statement I would not be surprised if even for the fiscal year 1935 this amount would be justified also.

Mr. BYRNS. I think the gentleman is correct.

Mr. STAFFORD. I withdraw the pro forma amendment.

The Clerk read as follows:

SEC. 4. The provisions of the following sections of Part II of the legislative appropriation act, fiscal year 1933, are hereby continued in full force and effect during the fiscal year ending June 30, 1934, namely, sections 101, 102, 103, 104, 105, 106, 107, 108, 109, 112, 201, 205, 206, 211, 214, 304, 315, 317, 318, and 323, and, for the purpose of continuing such sections, in the application of such sections with respect to the fiscal year ending June 30, 1934, the figures "1933" shall be read as "1934"; the figures "1934"; as "1935"; and the figures "1935" as "1936", and, in the case of section 102, the figures "1932" shall be read as "1933": *Provided*, That if any provisions of such sections, or the application thereof to any person or circumstances, is held invalid, the remainder of the sections, and the application of the provisions thereof to other persons or circumstances, shall not be affected thereby: *Provided further*, That all acts or parts of acts inconsistent or in conflict with the provisions of such sections are hereby suspended during the period in which such sections are in effect: *Provided further*, That no court of the United States shall have jurisdiction of any suit against the United States or (unless brought by the United States) against any officer, agency, or instrumentality of the United States arising out of the application, as provided in this section, of such sections 101, 102, 103, 104, 105, 106, 107, 108, 109, or 112, unless such suit involves the Constitution of the United States.

Mr. MEAD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MEAD: Page 65, line 22, strike out the figures "201."

Mr. MEAD. Mr. Chairman, this amendment to strike out section 201 of the so-called economy act would strike out the section which prohibits promotions earned either by length of service or by being assigned a higher-salaried position. According to the information submitted by the Economy Committee at the last session of Congress, the restoration of these earned promotions would involve an expenditure in the Postal Service of approximately $1,000,000. It was the intention of the Economy Committee, and perhaps of the House and Senate, to levy an equal and just reduction in the salary of all the employees of the Federal Government, but in the case of the employee in the lower grade, in the case of an employee who had been demoted by his supervisor, we would have in effect a severe penalty. For illustration, the average postal employee in the maximum grade in the city post office suffered a loss of approximately $175 a year, but a postal employee in one of the automatic grades, for example in the fifth grade, suffered an additional loss of $100 that year by reason of the fact that his automatic promotion was denied him. He likewise suffered a similar loss for the five years while he is in the automatic grades, providing the economy act is repealed after one year, because each year that he was in the $1,700 class he receives no promotion, and the next year when he would have attained the $1,800 class he loses an additional $100 because he finds himself in the $1,700 class. The following year he finds himself in a class that is paid $100 lower than it would have been had the economy bill never been passed, and so the average loss of an employee in the automatic grades is the loss sustained by the average employee in the maximum grade plus the number of years that he must work to attain the maximum grade in his particular class. So the loss sustained by the postal employee in the lower or fifth grade averages approximately $700 providing the economy bill applies to promotions for the duration of but one year; and I say to you, gentlemen, that is a severe penalty, and, so far as promotions are concerned, we ought to terminate that section of the economy act here and now.

Another question that should merit our consideration at this time is a recommendation that emanated from the Postmaster General. In his letter to Senator BINGHAM he said that for a long time it had been the policy of the Post Office Department to administer, as a disciplinary measure, demotion for a short period of time to certain employees of the Post Office Department. By reason of the interpretation on the part of the Comptroller General a post-office employee who is demerited by reduction to a lower grade finds it impossible under the law to return to his proper grade, even when the disciplinary action on the part of the Postmaster General has been satisfied. So, in order to equalize the penalties inflicted by the economy law, in order to alleviate this injustice to the younger men in the service, to those who have been demerited, those who have been temporarily demoted, I believe this section should be stricken from the bill.

Mr. BYRNS. Mr. Chairman, we have come to that part of the bill which is going to be subject to a great deal of controversy in connection with its consideration. I think we should have a very clear understanding of these amendments as they are proposed because I understand quite a number will be offered. At the outset let me say that there will not be a single amendment proposed which will not to some extent increase the appropriations carried in this bill. I think that ought to be understood by the Congress and it ought to be understood by the country.

Whenever any one of these amendments is adopted we are voting to increase the appropriations carried in this bill, appropriations which have already been eliminated at the instance of the Budget, and by the committee, anticipating that the Congress at this session would do what it did at the last session and continue the so-called economy bill.

I think it is pretty well understood by all the membership that I was not at all in sympathy with much that was proposed by the Economy Committee. There were a number of its recommendations with which I could not and did not agree, but referring particularly to the question of reductions of salaries, my own idea was that we should have reduced those salaries, beginning at a fixed point which was considered sufficient for living purposes, and then to increase, on a graduated scale, the amount of the percentage of reduction up into the higher salaries. For that reason I was opposed to the furlough system and voted against it, but the House adopted it and the Congress adopted it, and therefore your committee, when it came to consider what it should do with reference to its recommendation to the House for the next fiscal year, felt that it ought to recommend to this House and to the Congress a continuance of the provisions which passed by a large majority only at the last session.

Now, this particular amendment seeks to strike out section 201 which is intended to prohibit temporarily, and not permanently, automatic promotions. It was the theory of the Economy Committee at the last session, and I agreed with it in that respect, that since we were reducing salaries and proposed to reduce most or all of the salaries, it would put us in an indefensible attitude to increase some 12,000 salaries in the sum of $100, and that therefore these automatic increases should not take place during this year, and we have now recommended that they not take place next year. I submit that we can hardly go before the country and say that we have cut down and reduced the salaries of thousands of employees of this country and in the same breath increased the salary of any official of this Government.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BYRNS. I do not want to take up time, but I want to make this plain in my opening statement with reference

to this recommendation by the committee. If you adopt this amendment, you not only automatically increase some 12,000 postal employees in the country but you automatically increase a number of thousand employees in nearly every other department of the Government, and the Bureau of the Budget told us it means nearly $4,000,000 which will have to be added to the Treasury Department expenditures for 1934, for that is the sum that the Director of the Budget recommended be reduced in this appropriation, and that is the sum that your committee, accepting the recommendation of the Bureau of the Budget, accepted, and reduced the appropriation. Now, if this section is stricken out, we must add to this bill somewhere, somehow, the sum of $4,000,000, and the taxpayers of this country have to make up the difference.

Now, it does seem to me, regardless of the question of whether there ought to be a reduction or not—and I know there is a sharp difference of opinion, an honest difference of opinion upon the part of many Members of this House with reference to the question of reduction—it does seem to me that no Member of the House ought to be asking at this time, when the large cities of this country throughout the country are reducing salaries, for an increase in the salary of anybody. That is what this means.

Mr. KELLY of Pennsylvania. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. KELLY of Pennsylvania. We understand the gentleman's position, and I know he is perfectly sincere in it. The gentleman admits that the working out of the unprecedented furlough system has resulted in injustices. Is it going to be the attitude of the gentleman to oppose the correction of admitted injustices in this experimental legislation?

Mr. BYRNS. Well, I say I hope we can climb that hill when we come to it. I would not want to say in advance that I would personally oppose any amendment that was offered, because I would first want to see the amendment. But I have no objection to saying to the gentleman that it is my present belief that we ought to go very slow and be very deliberate and very careful about changing the present law upon the subject. I understand there are a great many injustices and inequalities, so claimed by those who propose them, but it was adopted last year at the instance of the Economy Committee, and this House, after very thorough consideration of the whole subject, adopted it. It has been construed by the Comptroller General. The departments now know how to construe it, and if you once enter into the question of changing that law here, and try to meet the views of some individual Member of Congress, you will open a Pandora's box, and you do not know what will happen. Therefore it seems to me that even though it may entail some sacrifice on the part of some employee who is working for his Government and yours, we ought to continue this for one year more, because you know the President of the United States not only recommended a continuance of the economy provisions just as they were passed by this House for this year, but in addition thereto, a week or so ago sent down an additional estimate in which he recommended that there be superimposed upon these reductions an 11 per cent reduction with a $1,000 exemption.

Mr. MAAS. Will the gentleman yield?

Mr. BYRNS. I yield.

Mr. MAAS. What would be the gentleman's position with reference to an amendment which would permit those who, for disciplinary reasons, have been reduced, to be reinstated? I have a case in mind where an employee merely referred to an inspector as "a suspector," and he was reduced $200. This year it will be $600. It was never intended that he should be fined any such sum; and there are many other cases.

Mr. BYRNS. In a case of that sort, this House can not sit here as a reviewing body. What do we know about the facts which the gentleman mentioned? I will believe anything the gentleman says.

Mr. MAAS. I thank the gentleman.

Mr. BYRNS. But how much does the gentleman know about it? It was passed upon by the postmaster and by the Post Office Department, and I do not see how we can sit here as a reviewing body of every little proposition that is brought before us.

[Here the gavel fell.]

Mr. KELLY of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we are faced with the question as to whether or not we shall correct undoubted injustices in the operation of the furlough plan which was enacted at the last session. I congratulate the committee and the chairman on the fact that at least they stood against any further reductions in the wage standards of governmental employees.

Last December I stated that if this Congress undertook to choose the downward course, it would drive us still farther into this depression. I also stated that we would be faced with the prospect of going still farther this year. That recommendation has been made in several quarters. The committee has refused to follow such advice. They said, "We will stop here."

In my estimation, we have been as though we were in an airplane in a nose dive. We have been accelerating the drop by every wage cut and every ruthless retrenchment. Now, some method must be evolved to stop the plane by using the controls and leveling out before we can reach the higher altitudes where there will be prosperity. Here is a decision at least that we are going to stop the decline, with a view to reaching higher and better standards for all Americans.

The gentleman from New York [Mr. MEAD] has brought one injustice to our attention. There are several others which should be remedied. No one in this Congress had any intention of penalizing employees who received less than $1,000. We said that if employees received less than that amount there would be no reduction, and yet substitutes in the service getting $400 a year or $500 a year have been obliged to pay 8⅓ per cent of their salaries on account of the working of the economy bill. This should be corrected. There are special-delivery messengers in a pitiful position—each one of them compelled to have an automobile, compelled to keep up that automobile, running an average mileage of 80 miles a day—and yet we have taken 8⅓ per cent off their miserable pittance. The net figure in many cases is $20, $30, and $40 a month. There should be action on this injustice without delay.

In this deliberation we should be able to take these amendments as they are offered and act upon them, in all fairness, and yet not interfere with the general plan of the Appropriations Committee.

I believe this amendment of the gentleman from New York [Mr. MEAD] should be adopted. Then we will say that although we did penalize workers in the lower grades last year $100 in addition to the 8⅓ per cent we are now going to stop it.

Mr. MEAD. Mr. Chairman, will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. MEAD. The Postmaster General made the suggestion to the Appropriations Committee that we add the following proviso to the first sentence of section 202:

Provided further, That the restoration of employees to their former grade, or their advancement to intermediate grades following reductions of compensation for disciplinary reasons shall not be construed to be administration promotions for the purposes of this section.

This evidently is the attitude of the administration, both on the part of the Postmaster General and the President; it is to correct seeming injustices.

Mr. KELLY of Pennsylvania. Yes; it will not interfere with the program of the Appropriations Committee. I appeal to the Members to look at these amendments as they are offered on the basis of their inherent justice, and to favor amendments that straighten out those things that are admitted by the department, by the gentleman from Tennessee [Mr. BYRNS], and by all of us to be unwarranted even under conditions as they are to-day.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from New York [Mr. MEAD].

The Clerk read as follows:

Amendment to the amendment offered by Mr. MEAD, to be added to section 4, page 66, at the end thereof, line 20: "*Provided further*, That sections 101 and 105 shall not apply to any employee unless the aggregate compensation earned by such employee shall exceed $83.33 per month. The provisions of this paragraph shall not operate so as to reduce the aggregate compensation paid any employee below $83.33 per month."

Mr. BYRNS. Mr. Chairman, I make the point of order this amendment is not germane to the amendment to which it is offered.

The CHAIRMAN. The Chair is inclined to sustain the point of order. The Chair will state to the gentleman from New York that the pending amendment is solely to strike out certain figures in the bill.

Mr. LAGUARDIA. No; if the Chairman please, the pending amendment strikes out of section 4 a paragraph referred to of another law, and my amendment carries a proviso in reference to the same law referred to by the gentleman's amendment. It does not strike out a section from this bill. It strikes out a section referred to in this section.

Mr. BYRNS. Mr. Chairman, the amendment offered by the gentleman from New York [Mr. MEAD] undertakes to strike out the section which relates to automatic increases, promotions in the service.

Mr. LAGUARDIA. Yes.

Mr. BYRNS. Now, the gentleman from New York [Mr. LAGUARDIA] offers an amendment which relates to reductions of a different class of employees altogether.

Mr. LAGUARDIA. But it is in the same section.

Mr. BYRNS. And to a different section of the bill.

Mr. LAGUARDIA. No.

Mr. BYRNS. And does not apply in any sense to section 201.

Mr. LAGUARDIA. It is in the same section of the bill.

Mr. BYRNS. Therefore it seems to me that it is not germane at the present time.

Mr. LAGUARDIA. Mr. Chairman, the gentleman from Tennessee prefaces the proposition by stating that the amendment offered by the gentleman from New York [Mr. MEAD] refers to another section. It refers to another section in another law, but it is in the same section that the amendment which I now offer applies to.

The CHAIRMAN (Mr. MCMILLAN). The Chair sustains the point of order on the ground that it is not germane to the amendment proposed by the gentleman from New York [Mr. MEAD].

Mr. LAGUARDIA. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, the gentleman from Tennessee [Mr. BYRNS] makes the appeal that any amendment to-day would disturb the present appropriations. Surely this is no argument on the merits of the amendments which are offered to-day to cure injustices which have crept into the economy bill by reason of the way the bill was drawn.

The amendment I just offered, and which will be offered again in the course of this afternoon, seeks only to correct a condition which was never intended by this House, and I want to ask the gentleman from Tennessee, and any Member here to-day, if when pleading for the so-called economy bill, he intended to reduce by 8⅓ per cent the pay of any employee that amounted to $8, $9, or $10 a week?

If there is any Member who wants to go on record that at the time of voting for that bill, when the $1,000 exemption was put in, he intended to reduce the pay of substitute carriers and clerks who are earning $10 or $7 or $8 a week, and intended that they should be included because they are paid at the rate of 65 cents an hour, then I will withdraw all my complaint and all my attempt to correct this injustice.

This is manifestly true. I have spoken with a great many Members, and there is not a Member I have spoken to who has not said that that was not his intention, and I want to plead with the gentleman from Tennessee to correct this grave injustice.

Mr. BYRNS. Will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. BYRNS. The gentleman has expressed himself heretofore as being very much opposed to that provision of the economy bill which undertook to provide for a reduction of salary where a salary was being paid at the rate of $1,000. I want to ask the gentleman, even though the amendment should prevail and they should not be reduced, whether or not he thinks, regardless of his opinion as to reduction of salaries, that there ought to be any increases of salaries provided for 1934, whether they are automatic or otherwise?

Mr. LAGUARDIA. Increases?

Mr. BYRNS. Yes; that is the plain proposition that is presented on this amendment, and I would like to have the gentleman's opinion about it.

Mr. LAGUARDIA. I am going to vote for the amendment. The gentleman has talked about reduced commodity prices, and I say that is exactly what has ruined the country.

Mr. BYRNS. The gentleman has not answered my question.

Mr. LAGUARDIA. I shall be pleased to answer it.

Mr. BYRNS. My question is whether the gentleman believes that under present conditions in his own great city of New York, where they are undertaking to reduce salaries by millions of dollars and where that question is now a subject of great controversy, and in view of the general condition of the country, Congress should increase the salary of anybody, no matter who he is? That is what this amendment proposes to do. Will the gentleman answer that question?

Mr. LAGUARDIA. Of course I will. The gentleman himself justifies these reductions and the refusal to increase salaries by reason of reduced commodity prices; and I say that we will have to bring up commodity prices, and if we bring up commodity prices we have got to bring up wages. That is the way to cure the situation in this country, and not the way that the gentleman is proposing.

Mr. BYRNS. I still think the gentleman has not answered my question. I ask the gentleman whether he thinks, when we are not increasing the salary of hundreds of thousands of employees, that 12,000 employees of the Government should be selected for an increase and the others not increased?

Mr. LAGUARDIA. No.

Mr. BYRNS. Especially when the great majority of those whose salaries are not going to be increased are not receiving as much as those who will have their salaries automatically increased.

Mr. LAGUARDIA. I will say to the gentleman that the whole policy is a mistake.

[Here the gavel fell.]

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAGUARDIA. My objection is to the whole policy.

Mr. BYRNS. I did not ask the gentleman about his objection. I asked whether he favored the increasing of 12,000 employees of the Government under the circumstances I have stated, and it seems to me that is a very plain question, and my friend can answer it.

Mr. LAGUARDIA. I answered the gentleman and stated I would vote for the amendment now before the House. I favor the increase for these 12,000 employees and I favor increases for all Federal employees and I favor increases for all workers who are producing the wealth of this country. I am opposed to tearing down wages and tearing down commodity prices and continuing the depression that we are now suffering under. Does that answer the gentleman?

Mr. BYRNS. Let me now ask the gentleman this further question——

Mr. LAGUARDIA. Certainly.

Mr. BYRNS. Does the gentleman believe that if these salaries should be increased by the appropriations in this and in other bills over $3,900,000 by giving an automatic increase to some 12,000 employees in the Government service

this would have any effect, one way or the other, upon commodity prices?

Mr. LAGUARDIA. I will say this with respect to the policy of the last Congress when responsible Members of the House—I do not know whether the gentleman was one of them or not—took the floor and solemnly told us this policy was for one year only. Even though it was for one year only, it had the psychological effect on the industry and commerce of this country that it was expected to have, and immediately thereafter 10 per cent reductions were put into effect in factories and in business generally all over this country. I say yes, that was detrimental to the economic condition then existing, and your entire mistake is in bringing down commodity prices, bringing down wages, but keeping up interest rates. That is the trouble in this country and that is why this depression has continued. That is why the farmers in the gentleman's State are bankrupt and are being foreclosed and are being put in the position of tenant peasants.

This is why we are opposing this proposition. I have said this many times. If it were the salaries of Government employees that were involved, then it would be another question, but this goes to the very basis of all our economic troubles, and at this very moment factories and employers generally all over the country are waiting for the approval of this bill to give their underpaid, partially employed employees another cut, and, gentlemen, this condition can not continue. The trouble is that everything is being reduced except interest rates.

So that there may be no misgivings about this question, I will repeat, for the benefit of the gentleman from Tennessee, I expect to vote for the amendment now before the House.

Mr. MEAD. If the gentleman will permit, if we carry to its logical conclusion the philosophy of those who would continue to reduce, we would balance the Budget at zero on both sides and we would find ourselves flat on our backs, starving to death, and the only fruits of this economic program would be wasted on additional unemployment, business losses, diminished savings, and we would just go from bad to worse.

Mr. LAGUARDIA. And now you have suggested a sales tax. The picture is complete. If you can get any satisfaction from such a program, you are welcome to it.

Mr. WOOD of Indiana. Mr. Chairman, I rise in opposition to the amendment. I can not understand the logic of the gentleman from New York. He has made bold to state here that by reason of the action of Congress at the last session reducing the salaries it not only caused a general reduction of wages in industry throughout the country but at the same time it reduced commodity prices.

The fact is that every industry of any consequence in this country had lowered the salaries of its employees, not only once but most of them twice, before Congress took any action in lowering the salaries of the Federal employees.

Carrying out the logic of these gentlemen in order to get at the depression, we should double or triple the wages of Federal employees. I can not understand that character of logic. It is trying to lift yourself over the fence by your bootstraps, a thing that can not be done. That the Federal employees, working for the best paymaster in the world, working less time, and doing less work, complain of this slight reduction in this period of depression is hard to understand.

In the campaign just closed, especially those who campaigned in country districts, there was one thought paramount in the minds of the farmers, and that was that we should reduce the cost of government. You heard on every hand the question whether an honest attempt was going to be made to reduce the salaries of Federal employees. Had those who are trying to amend this bill been as industrious in trying to remedy the errors that crept into it as they were to defeat the whole bill, there would not be so much talk about it here to-day.

But the attempt in this amendment to increase the appropriation by $4,000,000, not only by restoring the wages that have been reduced but increasing them, certainly can not meet with favor by any Member of this body who has any consideration whatever for the taxpayers of this country.

It seems that we are considering everybody except the burdened taxpayers, the burdened borrowers of this country. It seems that we are paying more attention to those who do less for the Government than to anybody else. Now, I want to read a letter that I consider typical. It is from a gentleman in Aldie, Va., a historic place, the home of Monroe, and where good people live. The letter is as follows:

ALDIE, VA., *December 13, 1932.*

Hon. WILL R. WOOD,
House of Representatives, Washington, D. C.

DEAR SIR: This is a letter that will need but a minute to read and that requires no answer. I wish to thank you for your speech in the House yesterday on the question of salaries of Federal workers. I know from personal observation and knowledge that what you say of the number of them uselessly and in these times wickedly employed is true. None of them were drafted for the jobs they hold; on the contrary, they made the lives of Senators, Representatives, and others miserable until they obtained these places. If they are not satisfied, nobody will hinder them from going back home.

With reference to their salaries and hours, I beg to compare a recent experience of a farmer neighbor, Frank Williams, Aldie, Va. To try to avoid the sale of his home for taxes he hauled 10 cows 80 miles for sale in Baltimore and received for them 1½ cents per pound. Of course, the pitiful proceeds couldn't save the home, which is advertised for sale by the county treasurer.

This man averages 12 hours of hard work on week days the year round besides the usual farm chores (milking, feeding, etc.) on Sundays. If the Government clerks had a dose of this kind of life, they would stop whining about their salaries.

Very respectfully yours,

FLOYD W. HARRIS.

That is typical of the condition of the farmers of this country, the men who work 12 hours a day and receive 10 cents a bushel for their corn and 8 cents a bushel for their oats; and yet these clerks insistently and persistently are besieging Members of this House and the Senate with a plea not only not to reduce their salaries but to increase them.

So I say that these clerks should be thankful, and instead of having their wages further reduced they should gracefully accept the proposal before us. For us to adopt the proposed amendment increasing salaries of 12,000 Federal employees is, to my mind, indefensible and unjustifiable.

Mr. GREEN. Mr. Chairman, I move to strike out the last word. It was not my intention to speak on this particular item of the bill; but it seems to me some Members of my own party as well as some on the other side of the aisle have been going far afield when they undertake to carry out the recent edicts of the American people. I have some remembrance of having read somewhere in our own platform a plank calling for a reduction in Federal expenditures. I do not think there is anyone in this House who desires to see maintained a high wage standard for Federal employees and civilian employees more than I do. I believe in the dignity of labor and the majesty of toil and shall forever uphold an adequate and safe wage standard. I also desire to see the purchasing power of the dollar come back once more to where it was rather than for a dollar now to buy about four times a dollar's worth of labor, farmer's goods, and manufacturer's goods.

If we are to have the purchasing power of the dollar restored, if we are to be able to maintain the wage standard in industry and that realized by the Federal employees, we must go to the fundamental evils in our general system of government and remove them. Let me say to the distinguished gentleman from New York [Mr. LAGUARDIA] that we are not going to remedy them by standing in the way of every Federal economy. If we are to maintain our wage standards, if we are to bring back the purchasing power of the dollar, we must do things greater than come to the floor of the House and stand in the way of economies in government. I am seriously considering at the proper time offering a motion to recommit this bill, directing the Committee on Appropriations to report it back with at least a 25 per cent reduction on every item contained in it.

I fully appreciate the fact that this great statesman from Tennessee [Mr. BYRNS] has materially reduced practically

every recommendation of our President. He has done this, and in that respect carried out the will of the American people; but he has not gone far enough. I can not help recalling an instance in which a high Cabinet officer—the Postmaster General, I believe—only recently, according to the newspaper story, turned in eight automobiles from his department and then added $1,700 to the amount received in order to buy a great limousine to ride around in, only to find the space above his hat—his head was so large and his hat was even larger—in this great automobile inadequate to hold him; and when he found it inadequate, then he called upon the taxpayers to buy him one a little larger so as to give him a little more space, to let his head magnify a little more, to give his hat a little more space, so he could further high-hat the destitute of the American people. My friends, do you believe this is representative democracy? Does my friend LAGUARDIA uphold this wild extravagance? Have we forgotten the destitute of America? Have we forgotten the 12,000,000 unemployed? Did the American people forget Postmaster General Brown and his kind on November 8? No! No! They spoke in decided language and voted them out.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. GREEN. Mr. Chairman, I have not spoken on this bill heretofore or on the other bill. I ask unanimous consent to proceed for another three minutes.

Mr. CLARKE of New York. Oh, I ask that the gentleman be given five minutes.

The CHAIRMAN. The gentleman from Florida asks unanimous consent to proceed for three minutes. Is there objection?

There was no objection.

Mr. GREEN. I thank my genial friend from New York [Mr. CLARKE], even though he frequently does these things in jest. Even in jest many things are done which redound to the benefit of our great country, and I thank my genial friend. What I would like to stress in the minds of my friends is that the American people in their destitution are calling out to the Congress to bring about relief measures. We must enact relief measures, and the first one is to reduce the expenditures of the Federal Government. Now is the time to show our faith. All over our respective States we called upon the electors to return us to power in order that we could reduce Federal expenditures. A cut of 25 per cent—yes; 50 per cent—would not be quite in keeping with the enlarged purchasing power of the American dollar. Think of the thousands of bureau officials who receive large salaries because of this great scheme of bureaucracy that the American people have builded, largely under Republican rule. The reduction of bureaucracy was in the minds of the American people on November 8, and I call on my colleagues on this side of the aisle to join in the abolition of at least three-fourths of these bureaus and return the functions of Government belonging to the States back to the States and let them carry on government as they were empowered to do when our Constitution was agreed to by the 12 original States approving it. There is where your expenditures have gone. I shall insist on further economies in government, and I hope my colleagues will join me. [Applause.]

The CHAIRMAN. The time of the gentleman from Florida has again expired.

Mr. MOUSER. Mr. Chairman, I move to strike out the last word. I have taken the floor at this time to state my position frankly on this position of reducing salaries in the lower brackets of governmental employees. I was indeed surprised that the distinguished chairman of the Committee on Appropriations would ask the gentleman from New York [Mr. LAGUARDIA] if it is not a fact that in New York City they are now considering a reduction of salaries of city employees. I think the distinguished chairman of the Committee on Appropriations has read something about the investigation being conducted by the Hofstadter committee under the able guidance of Mr. Seabury. The reason that city employees of New York City are now being compelled to take a lower wage is because of the spoils system adopted in New York City by Tammany. There has been such a revulsion of feeling because of Tammany's administration of the affairs of New York City that Jimmy Walker had to resign under pressure at a hearing conducted by the next President of the United States, when it got so hot for him that he resigned rather than submit to the humiliation of being fired. It was because that pernicious political system in New York City was literally robbing the taxpayers that to-day the employees receiving small salaries are being forced to take still smaller ones. They are bearing the brunt; they are paying the price of the unholy alliance of Tammany with the minority Republican Party, which gets the minority number of employees in that city because of the political trade that occurred.

Is it any wonder that great Democrat, McKee, who, by virtue of Jimmy Walker's resignation, became the chief executive, because he suggested reforms in New York City government to stop the plunder and graft and maintenance of the spoils system, was not the Tammany candidate for mayor this year?

Tammany did not want McKee. McKee stood for the taxpayers of New York City, and therefore they nominated and elected, with machine control, a man that stood for Tammany. That is why the man who is in humble position in New York City to-day has been compelled to take a reduction in wages. It is because of the selfishness, corruption, and graft that was exposed by Mr. Seabury and his committee in their investigations that has caused the ordinary little fellow to suffer by having his wages reduced.

Now, we are talking about reducing the salaries of employees in the lower brackets, and yet we Congressmen refused to adopt a resolution introduced by the gentleman from Ohio [Mr. COOPER] last session reducing our salaries $2,500. I voted for it. You refused to pass the resolution to destroy the pernicious system of nepotism.

[Here the gavel fell.]

Mr. MOUSER. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

Mr. BYRNS. Mr. Chairman, reserving the right to object, I submit the gentleman has not discussed the amendment before the House. We have a dozen or probably more amendments. This is a question, I will say to the gentleman, of whether or not the gentleman favors automatic increases for next year. The gentleman has been discussing New York City; he has been discussing Tammany; he has discussed Seabury, and everything else, and I object. I move that all debate upon this amendment do now close.

Mr. MOUSER. I ask unanimous consent to proceed.

Mr. BYRNS. I move that the debate be now closed on this amendment. The gentleman can get his five minutes on some other amendment.

Mr. SNELL. I would like five minutes on this particular amendment.

Mr. BYRNS. The gentleman from New York desires to discuss this particular amendment?

Mr. SNELL. Yes.

Mr. BYRNS. Then I withdraw the motion temporarily.

Mr. MOUSER. I thank the distinguished gentleman from Tennessee.

Mr. BYRNS. I withdraw it for the benefit of the gentleman from New York [Mr. SNELL.]

Mr. MOUSER. I thank the gentleman for Mr. SNELL.

Mr. SNELL. Mr. Chairman, am I recognized?

The CHAIRMAN. The gentleman from New York [Mr. SNELL] is recognized.

Mr. SNELL. Mr. Chairman, it does seem to me that even when we discuss the question of salaries of Government employees we ought to use a little bit of common sense. I am just as much interested in the pay of these men as some of my colleagues who make vehement speeches every day and say they want to increase them, but I remember very well that practically every one of us was a candidate for reelection a short time ago, and I want to see a man stand on the floor of this House to-day and say that he went before the people of this country advocating increased expenditures in any specific line. [Applause.] I want any-

body to stand who says that he went before his people and told them he wanted to increase the salaries of Government employees.

Mr. CONNERY. I will be glad to stand up for the gentleman.

Mr. SNELL. That is all right. I want to find out who these men are.

Mr. BLACK. How about me?

Mr. FITZPATRICK. Will the gentleman yield?

Mr. SNELL. Not at present.

Now, regardless of any conditions or any argument that anybody can make, there is no real, definite, tangible reason why an increase should be given to any class of Government employees at the present time. [Applause.]

I do not want to decrease anybody's salary, but the real object of the amendment before us to be voted upon at the present time is to increase the pay of 12,000 or 20,000 Government employees. Regardless of how you consider any of these other propositions, whether you are for the furlough plan or not, there is no real reason to-day for increasing the pay of any class of Government employees, and that is the real question before us.

There are some things I would like to have changed. There are some inequalities that are wrong, and if we had an opportunity to amend them, I would do so. I do not want to cut anybody who at present is drawing a salary on a basis of less than $1,000, but that question is not before us at the present time. If you vote "yes" on the amendment offered by the gentleman from New York [Mr. MEAD], that means you are in favor of increasing salaries. I do not believe the American people want that done at the present time, and I for one have promised not to do it and do not intend to do it. If there is a man on a farm anywhere that can even pay his taxes, he is mighty lucky, to say nothing about having increased money to take care of other expenses, and we must remember that we represent these people as well as the Government employees.

I am opposed to this proposition for the very reason that it does increase salaries, and I am opposed to that at the present time.

Mr. FITZPATRICK. Will the gentleman yield?

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that all debate on this amendment do now close. There will be other amendments upon which the Members can speak.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MEAD].

The question was taken; and on a division (demanded by Mr. MEAD) there were ayes 25 and noes 87.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: To be added at section 4, page 66, at the end thereof, line 20: "*Provided further*, That sections 101 and 105 shall not apply to any employee unless the aggregate compensation earned by such employee shall exceed $83.33 per month. The provisions of this paragraph shall not operate so as to reduce the aggregate compensation paid any employee below $83.33 per month."

Mr. LAGUARDIA. Mr. Chairman, this is not an increase. This does not disturb in any way the intent of Congress when it passed the economy bill. This simply seeks to correct an unintentional mistake. I repeat now, if there is one man on the floor of this House who voted for the economy bill, that when he did so, intended to take 8⅓ per cent from any employee drawing $10 a week, I will withdraw the amendment.

Now, every Member of this House when he voted for the economy bill understood, or believed, that it provided that there would be no reduction where salaries were under $1,000 a year. Is not this so?

Mr. KELLER. Certainly.

Mr. LAGUARDIA. Unfortunately it was written "At the rate of $1,000"; and the substitute clerk and carrier getting 65 cents an hour is paid at a rate greater than $1,000, so the comptroller has ruled that he comes within the provisions of the economy bill. The result is that 8⅓ per cent is deducted from the check which he receives every two weeks, which, in my city, is less than $15, never over $20—from $7.50 to $10 a week.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. SNELL. While I am opposing any increases I am not opposed to making any changes which are definitely described as, and proved to be, injustices. I think we did not intend to do that when we passed the original bill.

Mr. LAGUARDIA. I thank the gentleman from New York.

Mr. SNELL. And I am not going to object to this amendment so far as I am concerned.

Mr. COCHRAN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Certainly.

Mr. COCHRAN of Missouri. Will this correct the situation in reference to substitutes as well as the special-delivery service?

Mr. LAGUARDIA. Yes.

Mr. COCHRAN of Missouri. Both?

Mr. LAGUARDIA. Yes.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. SIROVICH. The gentleman from Indiana was correct when he said it was not intended to reduce such salaries.

Mr. LAGUARDIA. I am going to assume a rôle towards the gentleman from Tennessee that I doubt if I can fulfill: I am going to plead with the gentleman from Tennessee on this matter and not fight him. Mr. Speaker, these men are wearing the uniform of the United States, and they must report every morning and remain on call, yet they are earning $8 and $9 a week, and I tell you in some instances their wives, mothers with children, have applied for relief to New York City and they could not get the charity because their husbands were in the employ of the United States Government. These clerks are handling valuable mail, yet they are drawing $7.50 or $8 a week, and that is being reduced by this 8⅓ per cent. They know they have to serve this period of substitution until they may be permanently employed. I want to plead with the gentleman from Tennessee to at least relent in this instance and to correct the mistake that has been made, for it was not the intention of Congress to apply this reduction to these underpaid men. Now I am trying to plead with the committee. I hope the House will respond.

Mr. BYRNS. Mr. Chairman, I always try to be frank with the House, and I would not be entirely frank if I did not say this: I did not expect when the provision was adopted a year ago that it would apply to employees who drew less than $1,000 a year. Those who drew the economy bill, whether intentionally or otherwise, provided that the reduction should be made upon those who received compensation at the rate of $1,000 a year. The Comptroller General ruled, therefore, that it applied to the class of employees the gentleman from New York has referred to, and I think in the strict letter of the law the Comptroller General was entirely correct in his ruling.

I am not going to do more on this occasion than to call the attention of the House to just what the adoption of this amendment means. Then it is up to the House to take such action as it may choose to take. Of course, this amendment if adopted will not apply alone to substitutes in the Post Office Department, but it will apply to thousands of employees in the Forest Service and in other departments of the Government in the field. It means, according to the reports I have received, that if it is adopted there will be added to the expenditures of the Government something over $2,000,000.

Mr. SNELL. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. I yield.

Mr. SNELL. How many employees, approximately, are there in the field service who draw less than $83 per month? Can the gentleman from Tennessee answer this question?

Mr. BYRNS. I am not able to tell the gentleman from New York the number. I asked for that, but I was not furnished that in this statement.

Mr. SNELL. I did not suppose that many of the employees in the field service in connection with the Department of Public Lands and the Forestry Service drew less than $83 per month.

Mr. BYRNS. There are a great many temporary employees employed in these services during the year.

Mr. SNELL. Do they draw less than $83 per month?

Mr. BYRNS. They draw less than $1,000 a year.

Mr. SNELL. But the amendment says $83 per month; it is on a monthly basis.

Mr. BYRNS. They draw more than that.

Mr. SNELL. Then it does not apply to them, as I understand it.

Mr. BYRNS. It affects them, because as I understand this amendment applies to all those who throughout the year receive less than $1,000.

Mr. SNELL. No; it says less than $83 per month, at the rate of $83 per month.

Mr. BYRNS. Here is what the Director of the Budget said in answer to my inquiry:

BUREAU OF THE BUDGET,
Washington, December 14, 1932.

Hon. JOSEPH W. BYRNS,
Chairman Committee on Appropriation,
House of Representatives.

MY DEAR MR. BYRNS: This is in response to your request for information as to what amount would be involved if sections 101 and 105 of the economy act were modified in their application to temporary or, in other words, seasonal, emergency, or intermittent employees, so as to apply not to the rate of pay but the compensation earned only when it exceeds $83.33 per month.

You appreciate, I am sure, that it would be impossible without a thorough survey by all of the departments to obtain information upon which to base an estimate, so that without resort to this the best I can do is to give you an approximation based on such information as I have, together with that which I have been able to quickly obtain.

In my opinion the total annual amount involved will probably be less than $1,000,000. This is exclusive of the Postal Service, as your office has advised me that the amount for that service is being obtained from the Post Office Department.

Sincerely yours,

J. CLAWSON ROOP, *Director.*

I have a letter here from the Executive Assistant to the Postmaster General.

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BYRNS. Mr. Chairman, the letter from the executive assistant to the Postmaster General reads as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., December 14, 1932.

Hon. JOSEPH W. BYRNS,
Chairman Committee on Appropriations,
House of Representatives.

MY DEAR MR. CHAIRMAN: In response to inquiry by telephone from your office relative to the additional cost to the Postal Service for the fiscal year 1934 in the event that an amendment will be inserted to the effect that the compensation deduction of 8⅓ per cent shall not apply to any employee unless the aggregate compensation earned by such employee shall exceed $83.33 per month, the department is submitting the following statement of the additional cost for substitute service if the exemption of $83.33 per month is inserted in the Post Office appropriation bill for the next fiscal year. It is assumed that any such amendment will not apply in the case of substitutes in the Rural Free Delivery Service.

Class of employees:	Additional cost per annum
Clerks, first and second class offices, including watchmen, messengers, and laborers	$355,000
City delivery carriers	450,000
Village delivery carriers	20,000
Motor-vehicle employees	$30,000
Railway postal clerks	4,000
Total	859,000

By direction of the Postmaster General.

Very truly yours,

HAROLD N. GRAVES,
Executive Assistant to the Postmaster General.

In addition there should be added whatever amount will be required in the pay of special-delivery messages and for the Rural Free Delivery Service; and while I have no official information to this effect, I am informed it will probably amount to something like $250,000, which would run the sum up to over $1,000,000. This is the justification for my statement to the committee that the adoption of this amendment would mean an addition of something like $2,000,000 to the appropriation.

Mr. SNELL. Will the gentleman yield?

Mr. BYRNS. Yes.

Mr. SNELL. Will the gentleman agree with me that the interpretation that has been put on by the departments was not the original intention of Congress?

Mr. BYRNS. I do not know what the intention of Congress was; I know what my intention was.

Mr. SNELL. I am talking about the gentleman and myself, and there are others here that agree with our view; and if we made a mistake and the matter has not been interpreted as we wanted it, now is the proper time to rectify the mistake; and it seems to me while it will probably cost a little more, I seriously doubt that it will amount to as much as $2,000,000, as stated in the letters which the gentleman has read. I think there is covered there more than we are trying to reach at the present time. [Applause.]

Mr. BYRNS. Mr. Chairman, I ask for a vote on the amendment.

Mr. MOUSER. Mr. Chairman, I rise in support of the amendment.

Mr. BANKHEAD. Mr. Chairman, I make the point of order that all debate on this amendment has been exhausted.

The CHAIRMAN. The gentleman from Alabama [Mr. BANKHEAD] makes the point of order that all debate on this amendment has been exhausted. The point of order is well taken, and the Chair sustains the point of order.

Mr. MOUSER. May I be heard on the point of order?

The CHAIRMAN. The Chair has sustained the point of order.

The question is on the amendment offered by the gentleman from New York [Mr. LAGUARDIA].

The amendment was agreed to.

Mr. MEAD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEAD: On page 66, line 5, after the semicolon, insert: "*Provided*, That the Administrator of Veterans' Affairs is authorized and directed to pay from the civil-service retirement and disability fund to each of the persons named in Executive Order No. 5874, dated June 30, 1932, or to the legal representatives of any such person, the sum which each such person would be entitled to receive under the provisions of the civil service retirement act, approved May 29, 1930 (U. S. C., Supp. V, title 5, ch. 14), for the period from July 11, 1932, to July 31, 1932, both inclusive or to the date of death, where death occurred prior to July 31, 1932, if the act entitled 'An act to provide for a uniform retirement date for authorized retirements for Federal personnel,' approved April 13, 1930 (U. S. C., Supp. V, Title V, sec. 47 (a)), had not been enacted."

Mr. BYRNS. Mr. Chairman, I make the point of order on the amendment that it is not germane to the bill or to the subject matter of any of these particular provisions.

Mr. MEAD. Mr. Chairman, I desire to be heard.

The CHAIRMAN. Does the gentleman from Tennessee reserve his point of order?

Mr. BYRNS. If the gentleman from New York wants to discuss the amendment, I reserve the point of order.

Mr. MEAD. Mr. Chairman, the amendment which I offer is aimed to correct an injustice which resulted from the enactment of the so-called economy act. The economy act

was passed and took effect on the first day of the following month, and the Postmaster General found it impossible to dispense with the services of some 2,000 employees who had reached the age limit and were mandatorily retired. The Postmaster General sought an Executive order to retain these men in the service for a period of 10 days. As a result of their serving the Government from the 1st to the 10th of the month, they were denied retirement pay for 21 days of the month of July, because, under the ruling of the Comptroller General, they could not be paid their retirement annuity until the 1st of the next succeeding month following their separation from the service.

Some time ago, in answer to a request from the late Senator Jones, the Postmaster General addressed a letter, which was received by Senator BINGHAM, and in this letter he has this comment to make in connection with this proposed amendment to the economy law:

The department has no doubt that it is the intention of the civil service retirement act that all persons coming under the provisions of that act shall be eligible to receive annuities from the day following their separation from the service except as the act may expressly provide otherwise. The persons named in the Executive order above referred to have apparently been deprived of their rights in this respect by a mere technicality, and it is believed that as a matter of simple justice to them Congress should authorize the payment of the annuities for the period from July 11 to July 31, inclusive.

The Postmaster General then suggests the following amendment, which, in the main, parallels the amendment which I have sent to the desk:

The Administrator of Veterans' Affairs is hereby authorized and directed to make payment from the civil service retirement and disability fund to the persons named in Executive Order No. 5874, dated June 30, 1932, or to their legal representatives, pro rata, annuities at the rate to which such persons were or would have been respectively entitled beginning on August 1, 1932, and covering the person from the respective dates of separation from active service, as may be certified by the proper administrative officers to July 31, 1932, inclusive, or to date of death where death occurred prior to July 31, 1932.

In view of the fact that this technicality crept into the law as a result of the passage of the economy act, and in view of the fact that we are retaining the provisions of the economy act and its penalties in this bill, we ought to correct this injustice here and now; and in view of the fact it is recommended by the administrative officers, and in view of the fact that these men were called upon to work 10 days for which they suffered a financial loss, this is a matter of simple justice and is something that should be corrected by this amendment.

Mr. EATON of Colorado. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. EATON of Colorado. What is the actual effect of the gentleman's amendment? Does it give them the retirement pay from the 1st of July, or does it carry the regular pay?

Mr. MEAD. It gives them 21 days of retirement pay, or from July 10 to 31.

Mr. THATCHER. How much is involved?

Mr. MEAD. The Postmaster General has not presented any figures in the letter, but he says that the amendment would not have an important effect on the savings in the Postal Service from the economy law.

Mr. THATCHER. How many clerks are affected?

Mr. MEAD. About 2,000; and they would be given 21 days' retirement pay due them.

Mr. STAFFORD. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. STAFFORD. The gentleman stated that the amendment he proposed was in the main as that read by him as proposed by the department.

Mr. MEAD. It seeks to achieve the same object.

Mr. STAFFORD. Wherein does the gentleman's amendment and that recommended by the department differ?

Mr. MEAD. They both achieve the same object.

Mr. BYRNS. Mr. Chairman, I make the point of order that the amendment is not germane.

The CHAIRMAN. Does the gentleman from New York desire to be heard on the point of order?

Mr. MEAD. Mr. Chairman, it appears to me that the subject matter is germane, because it has to do with the section referred to in the legislative appropriation bill. It is the same as that mentioned in section 4, page 65, of this bill where it says, "The provisions of the following sections of part 2 of the legislative appropriation act, fiscal year 1933, are hereby continued in full force and effect during the fiscal year ending June 30, 1934," and then it mentions, among others, section 104 of the legislative bill.

So with that statement which corrects the legislation which brought this condition about, I feel that right here is the proper place to make such correction.

The CHAIRMAN. The Chair thinks the amendment offered by the gentleman from New York is not germane to the section of this bill to which it is offered. It appears to the Chair that section 4 seeks primarily to extend the terms of the economy act passed in the last session of Congress. The gentleman from New York offers an amendment which seeks to direct the Administrator of Veterans' Affairs to pay from the civil-service retirement and disability fund to persons named in an Executive order certain sums of money.

It appears to the Chair, therefore, that the proposed amendment is not germane to this section, and he therefore sustains the point of order.

Mr. MEAD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 66, line 10, insert "*Provided further*, That there shall be added to the exempted class in section 104 'special delivery messengers.'"

Mr. BYRNS. Mr. Chairman, I reserve a point of order on that amendment.

Mr. MEAD. The object of this amendment is to remove from the application of the economy act special-delivery messengers.

Mr. BYRNS. Will the gentleman yield?

Mr. MEAD. Yes; I yield.

Mr. BYRNS. I think if the gentleman will examine the amendment adopted a while ago, and which was offered by the gentleman from New York, he will find that the class of employees who receive less than $83.33 a month have been taken care of, so that if this amendment is in order it is entirely unnecessary.

Mr. MEAD. These are not classified postal employees. They have to have equipment and transportation. They are really not employees in the intent and meaning of the economy act.

Mr. BYRNS. You are discriminating in favor of the special messengers against other employees.

Under the amendment offered by the gentleman from New York [Mr. LAGUARDIA], if they get less than $83.33 compensation per month, their salaries are not reduced, but if they get more than that, they fare just like every other employee. Therefore, I think the gentleman is about to create a discrimination in favor of this class of employees.

Mr. MEAD. Mr. Chairman, in reply to the distinguished chairman of the Committee on Appropriations let me say to him that in the opinion of the department special-delivery messengers are not employees of the Postal Service. They are not civil-service employees. They are employed and dismissed at will. I do not believe there is a special-delivery messenger in the United States who received a salary of $1,200 last year. In the main, the money allotted to them, which is on a fee basis, is divided between what might be termed their earnings and their expenses. They are called upon to furnish their own vehicle, to supply it with the necessary gas and oil, and, in addition to that, they have many other incidental expenses. In the main, these men are contract employees working on a fee system, and they should be exempted and placed in a specific, exempt class. Here is what the Postmaster General has to say on this question:

It is the department's opinion that the persons so employed are not properly considered for the purposes of the economy act to be officers or employees of the United States. Their service is in

the nature of contract service, and they are required to furnish, at their own expense, whatever facilities may be needed to effect the delivery of mail matter entrusted to them.

And the Postmaster General recommends an amendment to the economy act in a letter which he transmitted to Senator BINGHAM. He said:

Add the following proviso to subsection (c) of section 104: *Provided*, That nothing in this act shall be construed to affect the compensation of special-delivery messengers in the Postal Service.

I am merely carrying out the suggestion of the Postmaster General, and certainly all of us who favor the substitute amendment will agree with the Postmaster General, and will agree also that we had no intention of penalizing these underpaid employees when we passed the economy act. They ought to be placed in an exempt class, where the application of the economy act would not apply to them.

Mr. Chairman, in my judgment, this amendment is germane. There is in the economy law, and it is repeated in this bill, an exempt class, and in view of the fact that I want to add to the exempt class another class I feel it is germane, and germane to this section. This amendment specifically applies to this section of the bill.

The CHAIRMAN. Does the gentleman from Tennessee desire to be heard on his reservation of his point of order?

Mr. BYRNS. Mr. Chairman, I withdraw the reservation, but I want to be heard upon the amendment. The statements which are being read by the gentleman from New York [Mr. MEAD] as to what the Postmaster General has said with reference to this or that were not statements made to the Committee on Appropriations of the House.

Mr. MEAD. They were made to the Senate committee.

Mr. BYRNS. I assumed they were made to the Senate committee. The House committee did not have the advantage of his observations as we hear them read here from time to time. If these employees are not civil-service employees, not to be considered as employees of the Government, then this act does not apply to them in any sense of the word.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. McCORMACK. May I state to the gentleman that I have taken this case up with the Comptroller General, where a young man in my district who was delivering special-delivery letters and receiving so much for each letter delivered, used his own automobile in connection with the delivery, and 95 per cent of them must have their automobile as a condition precedent to employment. This young man was not permitted to have deducted from the gross earnings a reasonable amount for the maintenance of his machine and gas; for expenses, in other words. I took the matter up personally with the Comptroller General within the last two weeks, and I received a reply from him within the past few days to the effect that he has no discretion, that under the economy act of the last session the 8⅓ per cent deduction must be made from the gross earnings, and there is no discretion to permit a reasonable deduction for operating expenses.

Mr. BYRNS. Mr. Chairman, the committee just adopted an amendment which prohibits the application of the economy act to those who receive compensation in a sum less than $83.33 per month. To that amendment I interposed no objection. So far as I know, it was adopted unanimously. I do not want to see the employees covered by this amendment charged with any greater reduction than is made upon other employees of the postal or any other service. I feel that there should be no discrimination between any employees of the Government, that we ought to treat everyone alike, give everyone a square deal.

Undoubtedly the amendment offered by the gentleman from New York [Mr. LAGUARDIA], which was unanimously adopted, applies to these employees as it does to every other employee of the Postal Service. If that be true, why put in this language? If we do, then, in the event that a few of these special-delivery messengers get over $83.33 per month, the act will not apply to them. This is a plain discrimination, nothing more and nothing less. Why not leave it as it is, and there will be no discrimination among these employees? I do not know how many of them get it, but here is a statement from Mr. Fitch in which he refers to those getting $90 a month. If you are going to reduce the salaries of other employees of the Government getting $90 a month, then these special-delivery messengers should have their salaries reduced likewise. I think this is a plain discrimination.

Mr. CONNERY. Mr. Chairman, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. CONNERY. The gentleman says that they are in the same position as the $83-a-month men. They are not. They have to furnish their own equipment, their truck or automobile, and have to keep them up out of their own pockets, so that they are worse off than the $83 people.

Mr. BYRNS. We are not going to draw distinctions. That is my objection to the amendments being offered to this bill.

Here was a proposition which came to the committee, to superimpose an 11 per cent additional cut, and the committee declined to approve it. It seems to me that we are only getting into trouble when we undertake to take up every individual Member's objection to some particular feature of the bill.

[Here the gavel fell.]

Mr. MOUSER. Mr. Chairman, I move to strike out the last seven words.

Mr. Chairman, the distinguished chairman of the Committee on Appropriations desires to limit us in talk about this bill because of his desire to address himself on so many phases of it—and I mean no reflection, because by virtue of his chairmanship of the committee he should take all the time he desires. The distinguished chairman of the Committee on Appropriations in one breath talks about his love for Federal employees and in the next breath talks about cutting even the man who carries special-delivery letters for the magnificent sum of a few dollars a week. I will ask the gentleman from New York [Mr. MEAD] how much it is that these special-delivery boys get per month by contract?

Mr. MEAD. In the last year they have not earned enough to pay for their oil and gas.

Mr. MOUSER. The distinguished chairman of the Committee on Appropriations has so much love for the Federal employee that he wants to bar the equitable provision offered by the gentleman from New York [Mr. MEAD], who knows the problems of the postal employees. Yet we Members of Congress are drawing $9,000 a year salary. We Congressmen are opposing the man who is a substitute in the New York City post office and is getting the great sum of $8 or $10 a week and the poor boy who carries special-delivery letters and getting not enough to buy gas and oil for flivvers, let alone something to live upon.

The distinguished gentleman from New York [Mr. MEAD], chairman of the Committee on the Post Office and Post Roads, advises us that during this time of depression the carriers of special delivery have been getting less for their hire than sufficient to run the automobile that he must use. That is the attitude of the distinguished chairman of the Committee on Appropriations, who is here presenting this as an economy measure to carry out the pledge of the Democratic platform for a reduction of 25 per cent in all Government expenditures, as the distinguished candidate for President said upon the stump, in explaining in one breath his love for the Federal employee and in the next breath his desire that we shall not discriminate as against the poor boy who carries special-delivery letters on his bicycle or his automobile. Let us clean our own house first. Let us stop thinking about the psychological effect upon our political futures by reducing the salaries of those in the lower brackets. Let us give the man who works for Uncle Sam a chance to live and an opportunity, by virtue of his patriotic service to his Government, to send his kids through school.

That is not the cause of the deficit. The distinguished gentleman from Tennessee stood here last year when we were talking about economy and agreed with me that this matter of balancing the Budget that we were talking about was unnecessary, but before we voted upon it he explained his former position and said, in effect, that he did not mean what he said.

Mr. BYRNS. I do not understand the remark of the gentleman.

Mr. MOUSER. I mean no reflection. I stated that the gentleman, during the last session of Congress——

Mr. BYRNS. The gentleman accuses me of inconsistency. I want the gentleman to explain his remarks.

Mr. MOUSER. I am not insinuating at all. I am telling the facts.

Mr. BYRNS. What are the facts? The RECORD shows the facts. What are they?

Mr. MOUSER. I am not to be interrupted for a speech.

Mr. BYRNS. I can understand, if the gentleman took this sort of a position on economy in the last election, why he was left home and now belongs to the lame-duck class.

Mr. MOUSER. I am proud to be a lame duck along with many distinguished Republicans who have served their country so long and honorably.

Mr. BANKHEAD. Mr. Chairman, a point of order. I make the point of order that the gentleman from Ohio is not addressing his remarks to the amendment before the committee.

Mr. MOUSER. Oh, yes, Mr. Chairman. I said nothing in my remarks reflecting upon the distinguished gentleman from Tennessee, even though he is now in a state of anger and calls me a lame duck. I am proud of the fact that I am a lame duck, when so many distinguished Republicans have gone down to defeat.

Mr. BANKHEAD. Mr. Chairman, I renew the point of order.

The CHAIRMAN. The gentleman from Ohio will confine his remarks to the amendment before the committee.

Mr. MOUSER. I will be glad to.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. McCORMACK. Mr. Chairman, I rise in opposition to the pro forma amendment.

Addressing myself to the amendment offered by the gentleman from New York [Mr. MEAD], permit me to try to convey briefly to the Members a picture of what the amendment covers, so that you will understand just what the gentleman from New York [Mr. MEAD] is trying to accomplish. Let us take the city of Boston, for example—and the same thing applies quite generally throughout the country—and let us assume that you are postmaster of the Boston postal district; let us assume that you appoint a young man or, as in these days of depression, some man of middle age to deliver special-delivery letters. The Government pays so much for each letter delivered, a specific sum. Such messengers are not usually under the civil service laws, but the same situation applies to those who are. The messenger receives a certain amount for each letter delivered. Ninety-five per cent of those appointed—and the number is not numerous—but 95 per cent of those appointed must have an automobile in order that the special-delivery letters can be delivered quickly. In the operation of that automobile we know that expenses are incurred. There is upkeep and reasonable repairs. There is insurance. In some States there is compulsory insurance, such as in my State; there is the gas and oil and garage expense and other incidental expenses. Conservatively speaking, in the course of a year such expenses must be around $500—somewhere between $400 and $500. Let us assume the man you appoint earns $800 a year delivering special-delivery letters. Eight and one-third per cent cut is deducted from the $800. There is not one penny allowed for reasonable expenses incurred in the operation of the automobile necessary to perform the duties of a messenger of special-delivery letters.

Now, let us apply it to the LaGuardia amendment. Suppose some such messenger receives $1,100 a year, the 8⅓ per cent cut will be on the $1,100. There is no discretion vested in anyone to determine what would be a reasonable expense to be deducted from gross earnings.

There is a principle involved in this amendment. There is no conflict between this amendment and the LaGuardia amendment. The LaGaurdia amendment does not completely cover the purpose which the gentleman from New York has in mind. It is a case which was not anticipated when we were considering the economy bill last session, but experience of the past several months has shown this condition to exist. In any event this amendment will do no harm, and it will absolutely clarify the situation so that there will be no question in any of our minds that complete justice will be done, if you agree with me that reasonable expenses should be deducted from the gross earnings of messengers of special-delivery letters.

Now, reference has been made to our distinguished friend, the gentleman from Tennessee [Mr. BYRNS]. I am satisfield that if he understood the situation, and I hope I have clarified it for him, that he would have no objection to the adoption of this amendment. We might well read between the lines of his remarks that personally he has no opposition to the amendment except he feels the LaGuardia amendment covers it. I think it does to some extent, but not completely.

Mr. LAGUARDIA. Only to the extent of $83.33 per month.

Mr. McCORMACK. It covers it only to the extent of $83.33 a month, Mr. LAGUARDIA advises me, but makes no provision that if one of these men receives $1,100 a year a deduction for reasonable expenses he has incurred in the operation of his automobile in connection with the performance of his duties may be made and permitted by law. I respectfully submit, no matter how you may look at the pay-cut question, whether you are for it or against it, we all want justice. While this amendment covers only a small group, yet if adopted it will guarantee to this group of men the complete justice which I think they are entitled to.

I wanted to make this brief explanation, giving as thoroughly as I could, a picture of the situation so you would understand just what the meaning and the purpose of the amendment is.

[Here the gavel fell.]

Mr. WOOD of Indiana. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Massachusetts [Mr. McCORMACK], who has just addressed the committee, appealed to you to adopt this motion because it will do no harm. It may do infinite harm. It is a case of the camel trying to get his nose under the tent, and what will happen if this amendment is adopted is that it will furnish a precedent for every one of the the clerks of this Government who is affected to point to and say: "You have discriminated with reference to a particular class; why not make the same discrimination with reference to us?"

The gentleman from Massachusetts also states that it is not of much consequence because it would apply to only a very small class. This may be true. I expect it is. The fact of the business is I have never seen anybody deliver special-delivery letters in automobiles. It may occur in some particular places, but it does not occur in this town, and this is a pretty good-sized town. It does not occur in my town. I dare say it does not occur unless possibly in the city of New York where they have to go some considerable distance. Special-delivery letters are delivered by boys on bicycles.

The point I am making, and want to impress upon you, is not so much what is involved in this case as it is the principle involved, and that is vital. If we are going to break the policy we have adopted, and the program that was put in for this last year and continued in this bill we can break it, but having broken it once what excuse have we for not breaking it in other places? As I say, it is the principle involved. It should not be changed unless we are going to change it all along the line. I hope this amendment will not prevail.

Mr. LUDLOW. Mr. Chairman, it seems to me this House is being maneuvered into a rather ridiculous position by the submission of these numerous pop-gun amendments to this bill.

Of course, there are injustices and inequities. Every one of us, I think, has in mind, or could have in mind if he took a little time to think, similar instances of injustices to those already cited. I would like to see them corrected and will do my part toward that end at the proper time, but this great body, sitting in action on an appropriation bill, can not undertake forthwith to remedy all of the inequities that come before it. It must legislate on general principles.

I feel as much heart interest, I think, as any gentleman in this House, in those who are done injustice, I do not care what the cause of the injustice may be, but here there must be some determination of the policy of whether this economy bill shall be continued; and it should be decided on the merits of the whole proposition without first being subjected to all of these amendments which are small and relatively unimportant in comparison.

I do not share the thought of those who think the Federal employees of this country are opposed, as a whole, to a continuance of the economy bill. I know many of them have come to my office and have talked to me, and without a single exception they have left the impression upon my mind that they would be very glad indeed if they did not get a worse cut than a continuance of the 8.3 per cent for another year. I do not know to what extent industry has cut wages throughout this country, but I have been told that on an average it would be perhaps 10 per cent. So the Federal employees, every one I have talked to, feel that in the distress of the times and in the awful condition of this country they are glad to accept the cut of 8.3 per cent that now prevails. As citizens and as patriots they are willing to do their part. If the 8.3 per cent cut is continued, I believe there will be no injustice done them, and I think on the whole they will be very highly satisfied. I know many of them would unquestionably feel that way if they thought they could get rid of the furlough plan. They would be willing to accept a straight 8.3 cut without regarding it as any injustice. Without for one moment challenging the good faith of those who are offering these amendments, I believe we who stand for the retention of the economy plan in this bill are the best friends of the Government employees, because by their activities these Members are jeopardizing that plan, and if that plan is overthrown the Government employees are likely to be penalized with a much greater salary cut, which might be very unfair and unjust to them. To reject the economy provisions of this bill would throw the whole situation into chaos and might invite excesses that none of us want.

I really felt a great deal of sympathy for the amendment offered a while ago by the gentleman from New York, the able chairman of the Committee on the Post Office and Post Roads, but when he said all of these postal employees embraced in his amendment would suffer losses I think his language was hardly accurate. All they would suffer was the loss of a prospect of securing increases, not actual losses. What would happen to them would be that they would simply be marking time along with the rest of the country, and I think with millions and millions of people without any employment at all in this country that even if these employees who undoubtedly do have a case of injustice to complain of, just marked time for one year with the rest of the country they would be in a pretty fortunate situation. I was very much impressed with the argument of the gentleman from Pennsylvania [Mr. KELLY].

[Here the gavel fell.]

Mr. LUDLOW. Mr. Chairman, I ask unanimous consent to proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. LUDLOW. The gentleman from Pennsylvania I think was very impressive and very just when he commended the Committee on Appropriations for not going farther than maintaining for one more year the 8.3 per cent cut. He said he thought it was eminently fair and right that the committee would just put a peg there and hold the reduction to 8.3 per cent for another year. I think that ought to sink into the minds of all of us in the House, and I think the House would do well to pass the appropriation bill just as it came from the committee and let the matter stand that way for one more year. [Applause.]

Mr. COOKE. Mr. Chairman, I am sure I have no quarrel with the distinguished gentleman from Tennessee in regard to the provisions of this bill and I am sure the gentleman is going to agree with us when the provisions of the amendment introduced by the gentleman from New York are thoroughly understood.

I do resent anyone getting up here and calling an amendment that affects the welfare and prosperity and happiness of 3,000 people a popgun amendment. If there is any place in the United States where we should correct inequities and injustices which have been perpetrated, unconsciously and unwilling or not, by the Congress in past years, it is upon the floor of the House of Representatives.

Last spring, as has been so well said, we hastily passed an economy bill, and there crept into that bill inequities and injustices. The experience we have been able to accumulate during the past six months has demonstrated to us that something ought to be done to right wrongs unintentionally legislated into the bill.

We are talking now for the special-delivery messengers of the United States. They constitute a group of over 3,000 men. They are not, as the gentleman from Indiana [Mr. WOOD] said, boys running around on bicycles delivering letters. They are a dignified body of mature men from 18 to 45 years of age, many of whom have spent 20 years in this service and who make it their life work, just as much as the mail carrier or the mail clerk makes that his business. I know that every man in this House is willing to wipe out an injustice that applies so generally to so large a group of people.

The LaGuardia amendment does not accomplish this because no provision is made there for deducting the expenses of operation of the business, the maintenance of the automobile, and the repair of the automobile before the Government takes out its 8⅓ per cent.

I am just as zealous as any other man in the House for economy and I want to see abatement of extravagance in government as well as any other man here, but there is a price that I will not pay for economy in government. I refuse to trample upon human rights in order to procure a few dollars for my Government. My Government does not need it so badly that it can take from the man who earns $10 a week 8⅓ per cent of that money and apply it to the reduction of Government expenses. There is some place we have got to stop, but I know that no man or no woman in this House desires to stop short of complete justice for the people for whom we are attempting to legislate.

These men are entitled to this change. They are entitled to an exemption of their entire salary, first deducting from it the expenses of doing business. Let us erase from our mind the idea that they are boys. They are men who are doing man's work. They are handling the most responsible class of mail that comes into the hands of Government employees, and we are trying to do for them something that should have been done last year. Let us make sure that we are giving the man who is earning ten or fifteen dollars a week a square deal by adopting this amendment.

Mr. HARLAN. Mr. Chairman, I move to strike out the last 10 words.

Mr. Chairman, throughout this entire debate it has been my feeling that the committee program in so far as maintaining matter in status quo ought to be followed, not only from the viewpoint of efficient government, not only for the benefit of the departments and the Government, but from the viewpoint of the Federal employees themselves. It would seem to me to be reasonable that the quicker and smoother we can proceed to the business at hand and see that the salaries of these men are not reduced further than

they were in the economy bill, the better off the Federal employees will be and the better off the Government will be, so far as that is concerned.

In the economy act, in using the term "compensation," we inadvertently made a mistake. We did not define that term to exclude expenses in the operation of the job involved, in this particular case the expense of operating an automobile, which amounts to about $40 a month on the average.

These men, in spite of the remarks of the gentleman from Indiana [Mr. WOOD], in large numbers, not only in the large cities but in the comparatively small cities, use automobiles almost exclusively; very seldom do you see them operating bicycles.

When we used the term "compensation" in the economy measure we never intended that term to mean anything else but wages or earnings of Federal employees. It is just as unreasonable to deduct from these men 8⅓ per cent of the cost of their doing their work as it would be to declare the entire compensation of a contractor building a Federal building to be his wages on that job in computing his income tax and not deduct what he had to pay for help and materials to finish his work. These men do not get anything like the amount of money that is turned over to them, and to maintain the conditions and the intention of the economy measure and to be fair to these men, many of whom do not make enough to have a living wage after their expenses are deducted, I feel this amendment should be supported. [Applause.]

Also, we have corrected the other mistake by the adoption of the LaGuardia amendment, whereby we interpreted the term "rate of pay" as meaning the same as pay for one year. There is no more reason for voting for that correction and turning down the Mead amendment than there is for rejecting all the program of the committee. This is no change in the committee program but is simply correcting a mistake, and it seems to me to be too reasonable to have any merit in the opposition.

Mr. MAAS. Will the gentleman yield?

Mr. HARLAN. Yes.

Mr. MAAS. Does not the gentleman think we could better afford to get economy by buying silk hats for the Postmaster General that would fit his car rather than to buy cars to fit his silk hat? [Laughter.]

[Here the gavel fell.]

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in five minutes.

Mr. MOUSER. Mr. Chairman, I object.

Mr. BYRNS. Mr. Chairman, I move that all debate on the pending amendment close in five minutes.

The motion was agreed to.

Mr. COCHRAN of Missouri. Mr. Chairman, I move to strike out the last word. I asked the gentleman from New York when he submitted an amendment if that amendment took care of the substitute special-delivery messengers, and he replied that it did. In this he was in error.

I am glad that the substitutes have been taken care of. There is no more disgraceful condition in the administration of the laws of this country than in connection with the substitute clerks and carriers. If a private corporation should treat its employees as the Government is treating the substitute employees of the Postal Service, and it was brought to the attention of the people of the community in which that corporation was located, I say that that community would boycott the products of that corporation. If the facts were presented here, and I am sorry the time will not permit it, the membership of the House and the country, if you please, would be astonished. Some men who have been five and six years acting as substitutes are getting $15 a week or less, and I know instances where they have been getting on an average of four and five dollars a week.

Now, as to the special-delivery messenger. He is required to furnish a closed car. It must be in good condition. He must be able to lock it when he goes to a place to deliver a message. He must pay for the upkeep, and in the end the comptroller has ruled—and properly so; it is his duty to rule in accordance with the law—he has ruled that Congress provided that they should take a part of that money away from him and not give him an opportunity to deduct expenses. I say that that is a grave mistake. It was a mistake of the Congress, unintentional, and now we seek to correct that error.

Let me say that I did not have a rural carrier in my district or anywhere near it, but I fought for them before the Economy Committee and on the floor of the House, because they were being discriminated against. I am against discrimination.

It is true that most of the special-delivery messengers are in the large cities, but they are performing their duty and due to the depression have been very hard hit. They are paid by the letter, not a monthly rate. They have families; they are not young boys; they are men; and they are entitled to a living wage. I believe it is our duty to correct the mistakes made by the Economy Committee that resulted in the comptroller rendering the decision that took this small amount of money away from them, and I hope the amendment will be adopted. [Applause.]

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. BYRNS) there were 53 ayes and 43 noes.

So the amendment was agreed to.

Mr. MEAD. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. MEAD: Page 66, line 5, after the colon, insert "*Provided*, That the Administrator of Veterans' Affairs is authorized and directed to pay from the civil-service retirement and disability fund to each of the persons named in Executive Order No. 5874, dated June 30, 1932, or to the legal representatives of any such person, the sum which each such person would be entitled to receive under the provisions of the civil service retirement act approved May 29, 1930 (U. S. C., Supp. V, title 5, ch. 14), for the period from July 11, 1932, to July 31, 1932, both inclusive, or to the date of death where death occurred prior to July 31, 1932, if the act entitled "An act to provide for a uniform retirement date for authorized retirements of Federal personnel," approved April 13, 1930 (U. S. C., Supp. V, title 5, sec. 47a), had not been enacted.

Mr. BYRNS. Mr. Chairman, I make the point of order that the proposed amendment is not germane.

Mr. MEAD. Mr. Chairman, I presented this amendment a short time ago at another place in the bill. It was ruled out of order as not applying to that particular section of the bill. I have resubmitted it and my amendment will now apply on page 66, line 5, after the semicolon. It is my judgment that it is in order at this point. As I said before, the three amendments which I have offered, including this amendment, to correct an injustice in connection with the enforced retirement without annuity for 21 days of some 2,000 postal employees, should be adopted in this bill, and to supplement that statement I made before, the matter was recommended by the Postmaster General in an amendment which in the main is in agreement with the amendment which I have submitted to the House at this time. The Postmaster General said:

This amendment will not have an important effect upon the savings in the Postal Service or upon the various provisions of the economy act.

I believe it is germane because it results in the application of the law which we are to-day extending for another fiscal year; it was made applicable in that law at the point where I have submitted the amendment at this time. In my judgment it is germane and it is in order. It is to correct an injustice that will in no way interfere with the economy plan of the Committee on Appropriations.

Mr. BYRNS. Mr. Chairman, this is exactly the same amendment that was proposed a while ago except that it is now proposed at a different point in the same section. There is nothing in this act applying to the question of retirement. This takes up the question of the refunding of money taken out of the salary of officials. This act applies only to the question of reducing the salaries of employees either by furlough or by application of the 8⅓ per cent cut, and this applies solely and alone to the year 1934 and to no

other year. It seems to me that by no sort of reasoning could this amendment be construed as germane not only to this section but to any other section of the bill. It is the same amendment that was ruled out awhile ago. This bill applies to 1934 and has no application to retirement.

The CHAIRMAN. The Chair a moment ago was called upon to rule on a point of order embracing a similar provision. It occurs to the Chair that this section now under consideration has to do solely with a continuation of the economy act passed last year, and, as the chairman of the committee says, it deals solely with retrenchment and reduction. As a result the Chair is constrained to feel that the amendment offered by the gentleman from New York is not germane to this section, and the Chair, therefore, sustains the point of order.

Mr. EATON of Colorado. Mr. Chairman, I offer the following amendment, which I send to the desk.

Mr. BYRNS. Mr. Chairman, I ask unanimous consent that debate upon this section and all amendments thereto close in 30 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Colorado offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. EATON of Colorado: Page 66, line 10, after the word "thereby," insert "and the Administrator of Veterans' Affairs is authorized and directed to pay from the civil-service retirement and disability fund to each of the persons named in the Executive Order No. 5874, dated June 30, 1932, or to the legal representatives of any such person, the sum which each such person would have been entitled to receive under the provisions of the civil service retirement act approved May 29, 1930, for the period from July 11, 1932, to July 31, 1932, both inclusive, the same as if an adverse ruling of the Comptroller General of the United States had not resulted in the nonpayment thereof."

Mr. BYRNS. Mr. Chairman, I make the point of order that the amendment is not germane. It is the same amendment the Chair has twice ruled out of order.

Mr. EATON of Colorado. Mr. Chairman, I appeal to the chairman of the committee. The change in phraseology is an attempt to find a proper way for this committee to rectify one of the greatest injustices that has incurred under an interpretation of the economy law.

Mr. BYRNS. Mr. Chairman, here is a proposition that applies to the year 1933. This bill under consideration makes appropriations for 1934. There is a way by which the gentleman can rectify this trouble, this injustice, if it be an injustice, and that is by introducing a bill and going before the proper committee and having that committee report the bill out. I do not think we ought to put on an appropriation bill for 1934 legislation applying to 1933.

Mr. EATON of Colorado. If the detail is correct, as stated by the gentleman; that is, if this amendment applies to 1932 and applies to retirement pay, the facts on which the detail is construed are these: That under the retirement act and an Executive order of June 30, 1932, the Comptroller General ruled that a certain number of post office and other employees should not receive their pay for a period of 20 days, and I ask leave to put in the opinion of the Comptroller General. Under an Executive order these men were kept on duty for 10 days. Under a statute he ruled that he could not start their retirement pay until the first day of August. Here is the opinion of the Comptroller General:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, December 12, 1932.

Hon. WILLIAM R. EATON,
House of Representatives.

MY DEAR MR. EATON: I am in receipt of your letter of December 2, 1932, as follows:

"I have had some inquiries in regard to a ruling said to have been issued by you pertaining to retirement or other pay, which was not paid to retired railway mail clerks for a period between July 10 and July 31, inclusive, 1932.

"Will you kindly send me a copy of the ruling and such information in regard to the question upon which the ruling is made that I may study the same?"

Section 204 of the economy act provides in part as follows:

"On and after July 1, 1932, no person rendering civilian service in any branch or service of the United States Government or the municipal government of the District of Columbia who shall have reached the retirement age prescribed for automatic separation from the service, applicable to such person, shall be continued in such service, notwithstanding any provision of law or regulation to the contrary: *Provided*, That the President may, by Executive order, exempt from the provisions of this section any person when, in his judgment, the public interest so requires: * * *."

The act of April 23, 1930 (46 Stat. 253), provides as follows:

"That hereafter retirement authorized by law of Federal personnel, of whatever class, civil, military, naval, judicial, legislative, or otherwise, and for whatever cause retired, shall take effect on the first day of the month following the month in which said retirement would otherwise be effective, and said first day of the month for retirements hereafter made shall be for all purposes in lieu of such date for retirement as may now be authorized; except that the rate of active or retired pay or allowance shall be computed as of the date retirement would have occurred if this act had not been enacted."

In decision of July 13, 1932, A-43281, a copy of which is inclosed, it was held that said uniform retirement date act of April 23, 1930, was still in full force and effect. Accordingly those employees of retirement age on July 1, 1932, who were temporarily exempted by the President from the provisions of section 204 of the economy act until July 10, 1932, were subject to retirement effective August 1, 1932, and were entitled to retirement annuity only from and after that date. If said employees performed no active service for the period July 11 to 31, inclusive, they would not be entitled to receive their active service pay for that period.

If the President had taken no action the employees' active-service status would have terminated automatically June 30, 1932, and their retirement status and annuity would have begun July 1, 1932. Under the law the President could have exempted the employees from the mandatory retirement provisions of the act for the entire month of July, in which event the active status would have continued until July 31, and the annuity would have been payable from August 1, but the President saw fit to continue the active status only until July 10, and, under the plain terms of the act of April 23, 1930, the annuity could not begin until the first of the month following, or August 1, 1932, leaving the employees with neither compensation nor annuity for the period from July 11 to 31, 1932.

Sincerely yours,

J. R. MCCARL,
Comptroller General of the United States.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, July 13, 1932.

The honorable the SECRETARY OF WAR.

SIR: There has been received your letter of July 7, 1932, as follows:

"The uniform retirement act approved April 23, 1930 (46 Stat. 253), contains the following provisions:

"'That hereafter retirement authorized by law of Federal personnel of whatever class, civil, military, naval, judicial, legislative, or otherwise, and for whatever cause retired, shall take effect on the 1st day of the month following the month in which said retirement would otherwise be effective, and said 1st day of the month for retirement hereafter made shall be for all purposes in lieu of such date for retirement as may now be authorized; except that the rate of active or retired pay or allowance shall be computed as of the date retirement would have occurred if this act had not been enacted.

"'SEC. 2. This act shall become effective July 1, 1930. All laws or parts of laws, in so far as in conflict herewith, are repealed.'

"The legislative appropriation act approved June 30, 1932, contains the following provision:

"'SEC. 204. On and after July 1, 1932, no person rendering civilian service in any branch or service of the United States Government or the municipal government of the District of Columbia who shall have reached the retirement age prescribed for automatic separation from the service, applicable to such person, shall be continued in such service, notwithstanding any provision of law or regulation to the contrary: *Provided*, That the President may, by Executive order, exempt from the provisions of this section any person when, in his judgment, the public interest so requires: *Provided further*, That no such person heretofore or hereafter separated from the service of the United States or the District of Columbia under any provision of law or regulation providing for such retirement on account of age shall be eligible again to appointment to any appointive office, position, or employment under the United States or the District of Columbia: *Provided further*, That this section shall not apply to any person named in any act of Congress providing for the continuance of such person in the service.'

"It is requested that ruling be furnished as to whether or not the provisions of section 204 of the legislative appropriation act of June 30, 1932, above quoted, nullify the provisions of the uniform retirement act of April 23, 1930.

"Mr. Albert Beuk, carpenter, engineer department at large, Mobile, Ala., who was born July 5, 1867, reached the age of 65 years, the age fixed for retirement from the position which he holds, on July 4, 1932. Mr. Beuk has rendered about 25 years of service and therefore is subject to immediate retirement. There is doubt as to whether he may be retained on the rolls until the close of business July 31, 1932, under the act of April 23, 1930, or whether his retirement at close of business July 4, 1932, is required by the provision of the legislative appropriation act above quoted. He has

been placed on furlough without pay pending decision, and should the decision be that he may be retained until July 31, 1932, it is proposed to restore him to duty and pay status for such time as may remain before July 31, 1932. It is requested, therefore, that decision be given at the earliest date possible."

The prohibition in the act of June 30, 1932 (Public, 212), against continuing employees in the service after reaching retirement age has reference to the provisions of the civil retirement act for extending the period of service of employees for stated periods for reasons mentioned in the act. The uniform retirement act of April 23, 1930, did not change or modify the provisions for extension of service but prescribed uniform dates upon which employees should be retired, whether retired immediately upon reaching retirement age or after a period of extension. It applies also to retirements under other laws. This statute was enacted primarily for accounting purposes, and the need therefor has not been lessened by the provisions of the act of June 30, 1932. Accordingly you are advised that an employee who became of retirement age July 4, 1932, should be retired effective as of August 1, 1932.

Respectfully

J. R. McCARL,
Comptroller General of the United States.

It affects about 2,000 employees. It does not amount to a great deal of money in dollars, and there is no better place to take care of it than in the Post Office Department appropriation bill, as I listened to the arguments before us. A proper place is in the proviso giving rules for interpretation of the economy bill. The sentence to which I refer and ask to have the amendment added to has to do with the interpretation of the economy bill, and provides that if any provision of the section is held invalid the remainder of the section and the application of the provisions thereof to other persons or circumstances shall not be affected thereby.

Now, it may be asking the Chairman to stretch the application of the rule, and that is why I appealed to the chairman of the Committee on Appropriations. If the committee will not insist upon the point of order, then these few employees whose 20 days' salary was withheld by this construction may have their money. If the technical ruling was correct before, it is probably correct now, unless by changing the application of the amendment and tying it into this sentence and referring exactly to the holding of invalidity of the sentence will meet the situation.

I have tried to adapt this amendment to the text of the statute for the purpose of making it germane. I hope the Chairman can find it within his discretion to rule with me, and if the Chairman does not I hope that the chairman of the Committee on Appropriations will permit this little group of postal employees to have that small amount.

There is one other detail that I want to draw attention to. Perhaps the fault is in asking for retirement pay instead of their full pay. These men in all fairness have asked to have their retirement pay recognized instead of their full pay. Their time was up on the 1st day of July and they were ordered to continue until the 10th day of July. By the application of this ruling of the Comptroller General they were paid full salary until the 10th of July, no retirement pay and no salary until the 1st day of August, and from the 1st day of August the retirement pay. I submit the case as thus presented for the ruling of the Chairman.

The CHAIRMAN (Mr. McMILLAN). The Chair is ready to rule. The Chair has already on two occasions had this identical question raised on amendments proposed by the gentleman from New York [Mr. MEAD]. The Chair feels, as he has already stated when the other two points of order were raised, that the amendment is not germane to the section, and the Chair therefore sustains the point of order.

Mr. KELLY of Pennsylvania. Mr. Chairman, I offer an amendment, which is at the desk.

The Clerk read as follows:

Amendment offered by Mr. KELLY of Pennsylvania: On page 66, line 10, after the word "thereby," add the following: "*Provided*, That section 211 shall not operate so as to reduce any employee's compensation to an amount less than 91⅔ per cent of his compensation during the fiscal year 1932."

Mr. KELLY of Pennsylvania. Mr. Chairman, section 211 which is dealt with in this amendment, is the night-work differential provision of the economy act. After many years of effort, legislation was enacted some four years ago, providing that postal workers and others compelled to work between the hours of 6 p. m. and 6 a. m. should have a 10 per cent differential in their pay. Under the economy act that differential was reduced to 5 per cent, or, in other words, it was cut in two. I am trying now to carry out the policy of the Appropriations Committee when it says that the cut should be held to 8⅓ per cent.

It is certainly unjust that men compelled to work unnatural hours, in the most disagreeable service within the postal and other governmental services, should bear a double burden, and not only lose 8⅓ per cent of their compensation but also an additional loss on their night differential on account of their working at night. I believe the members of the committee do not desire a double penalty on those who are compelled against their will to work during the night hours. This amendment does not provide for any increase. It provides that the deduction for night workers shall be 8⅓ per cent and no more.

Mr. ARNOLD. Will the gentleman yield?

Mr. KELLY of Pennsylvania. I yield.

Mr. ARNOLD. Does not the gentleman's amendment provide that the reduction shall not exceed 8⅓ per cent below what is received for the preceding year?

Mr. KELLY of Pennsylvania. Nineteen thirty-two, yes.

Mr. ARNOLD. Now, suppose they do not work the same length of time during the year as they did in 1932?

Mr. KELLY of Pennsylvania. Well, at the rate, of course, is what is intended.

Mr. ARNOLD. But that is not the amendment. The amendment provides that under no circumstances can the compensation for 1933 be more than 8⅓ per cent less than he received in 1932.

Mr. KELLY of Pennsylvania. We have exactly the same language in the economy act that has been in operation. We provided that postmasters and supervisors who might be reduced because of the decrease in receipts of their office should not receive less than 91⅔ per cent of their compensation for the previous year. That has been operative under rulings by the Comptroller General without any trouble, and this is the same language as is now carried in the economy law. It is dealt with now without any trouble. It places the various employees of the service on a parity, that is all. We have already taken two classes, postmasters and supervisors, and set them aside on a 91⅔ per cent basis. This amendment provides that we take 40,000 postal workers and others who are compelled to work at night and put them in a class where they shall not have more than 8⅓ per cent reduction for 1934. I believe it is justified in every respect on the basis of action already taken.

Mr. BYRNS. Mr. Chairman, I ask for two minutes on this amendment.

I want to make this very earnest appeal to the House: If we want to practice economy, let us practice it. If we want to make any reductions for 1934, let us do so, and let us not go ahead and adopt these amendments which may mean a great deal or which may mean nothing. How many Members of this House know just what is carried in the amendment offered by the gentleman from Pennsylvania? A subcommittee, consisting of the gentleman from Illinois, the two gentlemen from Indiana, the gentleman from Kentucky, and myself, sat for several days and considered this matter, and I dare say there is not one of them who could tell just exactly what this amendment means and what it will result in if adopted. Of course, I know the gentleman has already stated what in his opinion it will mean.

Mr. KELLY of Pennsylvania. But it is already in the law.

Mr. BYRNS. But it only applied to one service. The gentleman has the Post Office Department always in his mind when he discusses matters on the floor of this House, but I want to say to him there are nine other departments of this Government and a great many employees in those departments.

Let us take no action here which will not mean carrying out the promises that men on both sides of this Chamber made in every speech during the campaign. There is not a Member here on either side of this aisle who did not tell the people whose votes he was asking that if they sent him

back to Congress he was going to protect the interests of the taxpayers and give some attention to their Treasury and to those who have to supply revenues to pay your salaries and the salary of every employee of this Government. Now, I beg of you not to go ahead and adopt an amendment the effect of which you do not know. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KELLY].

The amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Add to section 4 the following: "*Provided further*, That the deductions from compensation authorized under section 101, for purposes of impounding, shall not exceed one-eleventh under subsection (A) or one-twelfth under subsection (B) of the salary in excess of $1,500 per annum, but nothing herein shall be construed to reduce the amount of absence from duty authorized therein, in the case of the former (A) 1 day in each week, and in the case of the latter (B) 24 working days, or 1 calendar month: *Provided further*, That the reductions under section 105 shall in no case exceed one-twelfth of the salary in excess of $1,500 per annum."

Mr. BYRNS. Mr. Chairman, I make the point of order against the amendment that it is not germane to anything in this bill or in this section. I could not hear all of the amendment as read, and do not have it all in my mind, but, as I recall, it referred to the impounding of appropriations. There is nothing in this bill seeking to impound appropriations.

Mr. LAGUARDIA. The amendment refers to the clause in section 4, and would provide an exemption of $1,500. That is all there is to the amendment.

Mr. BYRNS. Making the exemption $1,500 instead of $1,000?

Mr. LAGUARDIA. Yes; instead of $1,000 it provides an exemption of $1,500.

The CHAIRMAN. The Chair is ready to rule. The Chair feels this amendment is germane to the section, and therefore overrules the point of order.

Mr. BYRNS. Mr. Chairman, may I say this: Section 110 of the law for 1933 applies to impounding. There is nothing in this bill that has any reference to the impounding of salaries.

The CHAIRMAN. Inasmuch as the various terms and conditions provided for under the economy act for 1932 are extended to this bill by its own terms, the Chair feels the amendment is germane and is in order, and therefore overrules the point of order.

Mr. LAGUARDIA. Mr. Chairman, this amendment raises the exemption from $1,000 to $1,500. No; it does more than that. The present economy law provides a deduction on salaries over $1,000. My amendment would provide an exemption of $1,500.

I want to be perfectly frank with the chairman. This, of course, will require additional appropriations. It is not like my previous amendment, seeking to correct an unintentional error in the drafting of the bill. This changes the policy of the economy law and provides an exemption of $1,500 on all salaries and makes the deductions applicable on that part of the salary over and above $1,500.

The purpose of my amendment is to bring before the House this proposition which was considered by the House and approved by the House to the extent of $2,500. The economy bill went over to the other body, and there it was changed and we got back an entirely different bill from conference. The House was then told that they should accept the conference report because it was only a temporary proposition.

Now, let us be perfectly frank about this. It is not as though it were going to be a temporary proposition. It comes here for another year. The distinguished chairman makes no promise that it is only for another year, and, of course, he could make no such promise. So I believe we might as well face the facts and realize that it looks as though this deduction is going to be a permanent matter, a matter of policy that will continue for some time.

Mr. BYRNS. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. I yield.

Mr. BYRNS. I wish to ask the gentleman for an explanation of his amendment. Does the gentleman seek to except $1,500 of every salary from any reduction?

Mr. LAGUARDIA. Yes; I made that statement.

Mr. BYRNS. For instance, if a person gets $1,500 there would be no reduction; the reduction applies to salaries above $1,500?

Mr. LAGUARDIA. Yes; to salaries above $1,500.

Mr. BYRNS. Does the gentleman have any idea how many, many millions of dollars that will mean and how it will increase this appropriation?

Mr. LAGUARDIA. I have so stated.

Mr. BYRNS. How much?

Mr. LAGUARDIA. I know it is quite a substantial amount.

Mr. BYRNS. It might involve nearly half of the amount that is carried in this bill?

Mr. LAGUARDIA. Yes; I suppose so. I do not think it is quite half.

Mr. BYRNS. Of course, if the House wants to adopt the amendment under those circumstances it can.

Mr. LAGUARDIA. It does not amount to half of the bill, no; it does not amount to half of the appropriation carried in the bill.

Mr. BYRNS. Half of the savings.

Mr. LAGUARDIA. Yes.

Mr. BYRNS. Half of the savings of the economy bill?

Mr. LAGUARDIA. Half the savings of the economy bill.

Mr. BYRNS. Half of the $98,000,000?

Mr. LAGUARDIA. For the whole Government, not for this bill.

Mr. BYRNS. This bill applies to all the departments.

Mr. LAGUARDIA. Exactly.

Mr. BYRNS. Therefore if the gentleman's amendment is adopted it applies to the whole Government.

Mr. LAGUARDIA. I have so stated.

Mr. BYRNS. So if the House wants to add $45,000,000 or $50,000,000, just adopt the amendment.

Mr. LAGUARDIA. Now, the gentleman does not insist it is $50,000,000.

Mr. BYRNS. I thought the gentleman admitted that it would be about half.

Mr. LAGUARDIA. I will take the gentleman's figure on it; I think so.

Mr. BYRNS. No; I am not giving any figures. I do not know the effect of the gentleman's amendment.

Mr. LAGUARDIA. I do not say the exact amount, but I say it is a substantial amount. I am not seeking to disguise this amendment at all.

Mr. BYRNS. I know the gentleman is not.

Mr. LAGUARDIA. I stand for it. I think it is the equitable thing to do. If the economy bill had been for one year only, as we believed it was, then, of course, there would be nothing more to it, but we did pass a $2,500 exemption in this House and when it came back from another body it was entirely changed, and we were told it was only for one year. Now, when it comes back for another year, I say we might as well face the situation and make such reductions on an equitable basis. If we exempt $1,500 I think we come nearer exercising fair economy than we do by making these arbitrary deductions and reductions.

Mr. ARNOLD. Mr. Chairman, I can not believe the House will take seriously this amendment.

If this amendment is adopted it means a routing of the savings in the economy bill. The gentleman from New York does not know what it would cost the Government, but does say it will be a substantial amount. Certainly it would run up into the millions.

Now, Mr. Chairman, if we are seriously interested in economy in Government let us quit temporizing on this matter. The Members here who are interested in economy should consider well before voting for this amendment. The Treasury is in a deplorable condition. We should carry along this economy bill for 1934 as it is in force during the current year.

With so little thought and consideration we are able to give to this amendment that will mean an additional burden of millions of dollars on the taxpayers of this country, it is not advisable to support this amendment. A vote for the amendment is a vote to increase wages over what they now are. The people of the country are demanding economy. Both parties are pledged to economy. Are we going to undo largely what was done during the last session of Congress? This amendment goes far along that line and will undo much that was done in the interest of economy in the last session by increasing the exemption from $1,000 to $1,500. No definite estimates are available as to the cost, but we know it will be enormous. The employees are far better off to continue for another year on this year's scale than run the risk of a far greater sacrifice which is impending.

Mr. KVALE, Mr. McGUGIN, and Mr. CONNERY rose.

Mr. KVALE. Mr. Chairman, will I have time to get some information from the chairman of the committee with reference to an amendment I have to offer? How much time is remaining on the amendment?

The CHAIRMAN. The Chair understands there is 15 minutes of debate remaining, and the gentleman is recognized for 5 minutes.

Mr. KVALE. Mr. Chairman, at the proper time I am going to offer an amendment to strike out a section of the economy bill.

The CHAIRMAN. The Chair suggests that the gentleman wait until his amendment is offered. The question now is on the amendment proposed by the gentleman from New York [Mr. LAGUARDIA].

Mr. McGUGIN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, here we are confronted with a request to increase the exemption from $1,000 to $1,500. The Government was more than kind to those on its pay roll when it granted an exemption of $1,000. The Government dealt more kindly with those on its pay roll than other institutions dealt with those on their pay rolls. The great mass of people of this country who have suffered reduced wages were not guaranteed an exemption of $1,000. They were not guaranteed steady employment, and yet they have suffered their losses.

Here is where we are leading to in this bill to-day. The postal employees are rather strong. They may be able to ramrod through some injustices in this bill which will mean special privileges to them, but just as sure as they do, the retaliation is going to come from the country and we are going to get some economy which we owe the people.

I will tell you what gave us the economy bill last year. It was after this House had passed three appropriation bills providing for no automatic increases, and then the postal bill came up and the postal employees were strong enough to have that provision stricken from their bill. Now, in this bill, go ahead and get this increase and before this session is over the Congress will be forced to grant the cut that we owe the people of this country. The people who are being dealt with unfairly at this time are the taxpayers of this country and the great mass of people on the outside. To-day the special privileged class in this country are those who are on the public pay roll. They are the ones who are now in these times of distress specially privileged and they might better have some fair regard for the great mass of the people. This attitude of "the people be damned" will no more serve the purpose of the public employees at this time than it served the purpose of the railroads in a former day.

This amendment that is now offered is intolerable. Let me say to my Democratic friends your platform made a pledge to the people of this country. You pledged 25 per cent reduction and the people turned the Government over to you. I want to congratulate you for your pledge and I trust that you will keep that pledge; but the more you increase expenses at this time the more embarrassing will be your task of later trying to keep that pledge. That 25 per cent reduction which you have promised is not a 25 per cent reduction below the amount which may be effective at the end of this session, provided you raise present appropriations, but the 25 per cent pledge which you promised means 25 per cent below the cost of government at the time your platform was written in Chicago. Not only do I hope you keep that pledge, but I want to stand on this floor in the next session and be as loyal as any of the members of the Democratic Party in assisting in keeping that pledge. You Democrats owe it to your party. You owe it to the people and every Member of this Congress in the next session is going to owe it to the people of this country to keep that pledge and to give the country reduced cost of government.

There are some people whom we must represent for a while and they are those who are bearing the burden of the cost of government. With the cost of government now running to nearly one-third of the total income of the country, the cost of government has become intolerable, and you can not reduce it without stepping on somebody's toes, and, so far as the last economy bill is concerned, that 8⅓ per cent reduction was nothing less than an insult to the great mass of toiling taxpayers of this country. That reduction must be, sooner or later, not less than 25 per cent.

[Here the gavel fell.]

Mr. CONNERY. Mr. Chairman, I rise in support of the amendment of the gentleman from New York. In these days to say you do not favor strict, parsimonious economy at the expense of Government employees seems to be like a voice crying in the wilderness.

I would like to say to the distinguished gentleman from New York, the Republican leader, that in my district when I was campaigning I did not say I would favor cutting down Government workers below a decent, living wage. I said that I voted against the economy bill and if it came up again I would vote against it in the coming session of Congress.

It seems to me that with the president of the American Federation of Labor telling us there are anywhere from 13,000,000 to 16,000,000 people out of work, the only way to bring back prosperity in the United States is to give buying capacity and buying power to the people of the United States, and we ought to be looking for some way to pay decent, living wages to the Government workers, instead of trying to cut them down to where they can barely live or exist.

The argument that Government workers did not take as bad a cut as the workers in private industry does not seem to me to be a sound argument. On the floor of this House during the last session I called the attention of Members to the fact that the day we passed the economy bill the United States Steel Corporation put through a second cut of 15 per cent upon its workers. They were just waiting to see what this House was going to do and then turned around to their employees and said, "See, the Government cuts its workers; they have cut them below a decent living wage, so we will have to cut you again."

Mr. LAGUARDIA. Will the gentleman yield?

Mr. CONNERY. Yes.

Mr. LAGUARDIA. Will the gentleman also add that as a result of that cut, dividends were declared?

Mr. CONNERY. Dividends were declared as a result of that cut; yes. It was fine for the big stockholders.

Mr. SNELL. Will the gentleman prove that statement? I would be very much pleased to have that statement proved.

Mr. CONNERY. About the dividends?

Mr. SNELL. Yes.

Mr. CONNERY. The gentleman from New York [Mr. LAGUARDIA] made the statement. I take the word of the gentleman from New York for that statement. The gentleman is usually very accurate about any statement he makes on the floor of the House.

Mr. SNELL. I want proof of the fact that cutting salaries in private industry was caused by the action of Congress.

Mr. CONNERY. The newspaper statement of the cut by the United States Steel Corporation came out the same day. It is a very strange and remarkable coincidence.

Mr. MEAD. Will the gentleman from Massachusetts yield?

Mr. CONNERY. I yield.

Mr. MEAD. Is it not a fact that the keynote of the last Republican campaign was that we would maintain the high standard of wages in America; and is it not true that the other day the President advocated a further cut of 11 per cent?

Mr. CONNERY. Yes; and in Massachusetts as a result of the economy program of the Federal Government private corporations have been cutting and cutting and cutting, so that a neighbor of mine working for the General Electric Co. for his week's work received the munificent sum of $2.75. Girls working in factories are getting $1.75 a week. Men are reporting for work, and are only getting work where they earn sometimes 25 cents a day, and most of the time they can not get work. If cutting the pay of underpaid Government workers is all we can suggest toward bringing back prosperity to the richest country of the world, then there must be something seriously wrong with our economic system. I intend to vote for the amendment of the gentleman from New York. I hope the amendment will pass, and incidentally may I congratulate the gentleman from Tennessee [Mr. BYRNS], the chairman of the Committee on Appropriations, and the members of the subcommittee who, although under tremendous pressure, refused to place an 11 per cent cut on the backs of the underpaid Government workers. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment of the gentleman from New York.

The question was taken, and the amendment was rejected.

Mr. KVALE. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 65, line 22, after the figures "102," strike out the figures "103."

Mr. KVALE. Mr. Chairman, I suppose the proper objection of the chairman to this amendment will be that it goes beyond the purpose it seeks to achieve; namely, to call attention to an unintentional error in the economy act, whereby an unjust penalty is inflicted on a certain group of workers. They are men employed in the Government Printing Office.

Does the gentleman from Tennessee have any information in regard to this situation in the Government Printing Office, and has he knowledge of the facts that obtain there? The compensation is based on 11 months' work, their leave is a regularly computed part of the wage, and when we take away the leave in 1933 they are also assessed in advance, and thus are subjected to a double penalty. It is working a hardship on the men that are employed in the Government Printing Office.

Mr. BYRNS. I do not know that I can answer the question; but if the gentleman's amendment should pass, they would be furloughed for 30 days, and then they would be given an annual leave of 30 days.

Mr. KVALE. There is another provision of the act that cuts annual leave down.

Mr. BYRNS. Here we are giving an annual leave of 30 days, and in another section you are furloughing them without pay. I do not see where you would accomplish anything.

Mr. KVALE. I hope that another body will be able to correct that, after studying the plight of this group, assessed a double penalty.

Mr. BYRNS. I think it would be unwise to adopt any such amendment at this time.

Mr. KVALE. Mr. Chairman, under leave to revise and extend my remarks, I shall include a quotation from the existing law, as found in section 45, title 44, page 1417 of Public Printing and Documents, showing that the section to which I have referred has operated to abrogate a solemn agreement by this Government with more than 5,000 employees of the Government Printing Office, and inflicts on them a reduction greater than that intended, and greater than reductions for other Federal employees with similar wage and salary levels:

45. Leaves of absence: The employees of the Government Printing Office, whether employed by the piece or otherwise, shall be allowed leaves of absence with pay to the extent of not exceeding 30 days in any one fiscal year, under such regulations and at such times as the Public Printer may designate at the rate of pay received by them during the time in which such leave is earned; but such leaves of absence shall not be allowed to accumulate from year to year. Such employees as are engaged on piecework shall receive the same rate of pay for the said 30 days' leave as will be paid to day hands. It shall be lawful to allow pay for pro rata leave of absence to employees of the Government Printing Office in any fiscal year, notwithstanding the fact that 30 days' leave of absence, with pay, may have been granted to such employees in that fiscal year on account of services rendered in a previous fiscal year. The Public Printer is authorized to pay to the legal representatives of any employee who may die, and may have any accrued leave of absence due them as such employees, said claim to be paid out of any appropriation for leaves of absence. (June 11, 1896, ch. 420, S. 1, 29 Stat. 453.)

Well, I want that injustice corrected, but Mr. Chairman, I will withdraw my amendment at this time.

The CHAIRMAN. Without objection, the amendment will be withdrawn.

There was no objection.

The Clerk read as follows:

SEC. 5. Each permanent specific appropriation available during the fiscal year ending June 30, 1934, is hereby reduced for that fiscal year by such estimated amount as the Director of the Bureau of the Budget may determine will be equivalent to the savings that will be effected in such appropriation by reason of the application of the sections enumerated in section 4 of this act.

Mr. MEAD. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. MEAD: Amend section 5, page 67, after the word "act," by striking out the period and adding the following: "*Provided*, That this section shall not apply to any appropriation which has already been reduced in accordance with the provisions of Title II, legislative appropriation act, fiscal year 1933, which are to be continued under the provisions of section 4 of this act."

Mr. BYRNS. Mr. Chairman, on that I reserve the point of order.

Mr. MEAD. Mr. Chairman, I have introduced this amendment more to find out from the chairman of the committee just what is the intention of section 5. I assume that the Committee on Appropriations has already reduced all of the appropriations to the limit permitted under the economy law. This section seems to grant further authority to the Director of the Bureau of the Budget that he further decrease all the appropriations to the limit permitted by the economy law. After Congress reduces the appropriations in keeping with the economy act, will the Director of the Budget inflict double penalty upon the workers in the departments?

Mr. ARNOLD. Mr. Chairman, this section 5 applies only to permanent, specific appropriations. It does not apply to the annual appropriations that are carried in the Post Office title of the bill that we now have under consideration, or any of the other regular appropriation bills. Permanent, specific appropriations have a well-defined meaning. There are no permanent, specific appropriations in the Post Office section of this bill. They are all annual appropriations. So this section 5 could not possibly have the effect of permitting an additional cut in the Post Office Department appropriation bill, that we now have under consideration, more than has already been made in the annual appropriations. If there is any question in the mind of anyone as to what permanent appropriations are, or what they include, I suggest that he look at the Budget message, 1932, at page A–162, statement No. 3, which gives a list of all of the permanent appropriations in all the departments of the Government. In none of the permanent appropriations there listed is there anything at all included that could possibly be construed as the subject of a further cut under section 5 so far as annual appropriations in this bill are concerned. The amendment offered neither clarifies nor could it have any effect on the appropriations carried for salaries or wages.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. LANHAM. Could we have assurance, under the statement of legislative intent made by the gentleman from Illinois, that the Comptroller General would not make a ruling to the contrary?

Mr. ARNOLD. I could not tell what the Comptroller General might rule or hold, but he has no authority under the law to hold that under section 5 these appropriations would be subject to a further cut, or that another cut could be authorized more than that already made in the annual appropriations. There is no justification at all for the Comptroller General ruling that a further cut is authorized, because, by express terms, and the language is not uncertain, it is definite, the comptroller can not rule as the gentleman from Texas indicates or fears he might.

Mr. KELLY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ARNOLD. Yes.

Mr. KELLY of Pennsylvania. The Comptroller General, in a ruling in October, I think it was, stated that he was not bound by statements made on the floor of the House in explanation of bills. In view of the fact that the gentleman does not know what the Comptroller General will do, should we not write in the amendment offered in order to make sure that a specific declaration is intended?

Mr. ARNOLD. But the Comptroller General is bound by the specific language of the bill, and the specific language of section 5 of the bill here is "each permanent specific appropriation," and there is not a single annual appropriation carried in this bill that would warrant the Comptroller General in directing a cut.

Mr. KELLY of Pennsylvania. Would there be any harm done in making sure by this amendment?

Mr. ARNOLD. It would be a useless proceeding. There would be no harm done if my good friend from Pennsylvania were to offer an amendment to the effect that none of the money herein appropriated shall be used for the support of the Army and the Navy. Certainly it is not necessary to offer an amendment of that kind. None of this money can be diverted outside of the specific provisions in the bill.

Mr. THATCHER. And if the Comptroller General would disregard the plain provisions of section 5, he would disregard any amendatory language that might be incorporated.

Mr. ARNOLD. If he felt he had authority, as the gentleman suggests, to violate the specific language here, he would likewise feel that he would have authority to violate any language that might be put in by way of amendment.

Mr. KELLY of Pennsylvania. The point is that he might interpret the word "permanent" to mean the appropriations under this bill.

Mr. ARNOLD. If the gentleman will look in the Budget at the page I indicated, he will there see what the permanent appropriations are. The Comptroller General could not by any range of imagination reach the conclusion that the gentleman is fearful he might reach, because the intent is as plain and specific as the English language can make it.

Mr. KELLY of Pennsylvania. We thought that very thing about the provision that the 8⅓ per cent deduction should not be taken from employees getting $1,000 and less, and yet the deduction was taken. This language might possibly lead to a double cut of the entire amount of the economy provisions.

Mr. ARNOLD. I can understand where language in an act is doubtful or somewhat uncertain that the Comptroller General might reach a conclusion in one way that would not be in harmony with the views of other people; but the Comptroller General can not reach a conclusion in interpreting a bill of this kind where the language is so definite and certain as to leave no possibility of doubt.

Mr. KELLY of Pennsylvania. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. Does the gentleman from Tennessee insist upon the point of order?

Mr. BYRNS. No, Mr. Chairman. I withdraw the point of order.

Mr. KELLY of Pennsylvania. I want to take a moment to ask the chairman of the Committee on Appropriations to take into consideration the fact that he does not want any chance of a double reduction of 8⅓ per cent of all governmental employees. Neither do I. The word "permanent" is there, and the section requires the reduction from permanent specific appropriations. In the latter part of the section it is stated that the sections enumerated in section 4 of this act shall apply to these appropriations.

Mr. ARNOLD. Can the gentleman point out in the title of this bill a single appropriation that is permanent and specific?

Mr. KELLY of Pennsylvania. I believe that the Comptroller General could say there can not be anything more permanent than an appropriation that has been carried for 150 years during the history of the Post Office Department appropriation measures.

Mr. ARNOLD. But it is reenacted each year. It is an annual appropriation and not a permanent appropriation.

Mr. KELLY of Pennsylvania. But suppose he says it is an annual and a permanent appropriation.

Mr. BYRNS. I may say to the gentleman that there is a very wide difference between an annual appropriation, an appropriation which falls of its own weight at the end of the fiscal year unless renewed by Congress, and an appropriation which is permanent, and which is not appropriated from year to year and goes along whether Congress passes an appropriation bill or not. A permanent appropriation is like the brook that goes on forever. There is quite a distinction between the two. I can not imagine a Comptroller General, certainly not the distinguished gentleman who now holds the position, being so utterly absurd as to say that this, in any sense, would involve a double reduction, because I am just as much opposed to a double reduction as the gentleman from Pennsylvania.

Mr. KELLY of Pennsylvania. I realize that and want to make sure our opposition will be effective.

Mr. BYRNS. Now, if the gentleman undertakes to put any language in, in connection with this paragraph, I submit that he is in danger of doing just what he does not want to do. In other words, he may involve the proposition to an extent as to do something he is endeavoring to prevent. I think the best thing to do is to leave this just as it is because there can not be the slightest reason for any confusion in the mind of anyone as to the difference between a permanent appropriation and one that has to be made from year to year; and if there is, this debate will undoubtedly clear that up.

Mr. KELLY of Pennsylvania. The debate does not clear it up at all. That is the trouble; and, since no harm would be done, I think the chairman should accept the amendment.

Mr. BYRNS. Well, I think there may be harm done.

Mr. STAFFORD. Mr. Chairman, I ask recognition in opposition to the amendment.

While the gentleman from Pennsylvania [Mr. KELLY] is correct in his statement that the debates in Congress are not, in the construction of a statute, taken into consideration in interpreting the will of Congress, yet it is fundamental in the construction of statutes that the reports accompanying the bills are always considered in the interpretation of those statutes.

Mr. BYRNS. Will the gentleman yield right there?

Mr. STAFFORD. I yield.

Mr. BYRNS. That was demonstrated the other day by the Supreme Court when it ruled on a specific case with reference to the reapportionment act.

Mr. STAFFORD. It was not only illustrated in that decision but it is illustrated in all the decisions of the Supreme Court passing on the construction of acts where the intent is not clear.

I merely take time to call attention to the report accompanying this bill, which points out in unmistakable terms the distinction between an annual appropriation and a permanent appropriation, found on page 8 of the report. As

always, the reports from the Committee on Appropriations, of which the clerk of the committee, the experienced and very efficient clerk, Mr. Marcellus Sheild, has the preparation, they are always illuminating and in every way correct. [Applause.] The report points out in specific language and refers to the specific appropriations under the title of "Permanent Appropriations," and then, as the next title, "Annual Appropriations."

The adoption of this amendment would only confuse and make confusion worse confounded. Any person who knows anything about congressional appropriations knows the difference between an annual appropriation and a permanent appropriation, and there is no need for clarification. It only muddles the interpretative character of the section. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. MEAD].

The amendment was rejected.

Mr. GOSS. Mr. Chairman, I move to strike out the last word. I do this to ask the chairman of the Committee on Appropriations if in reality, with this permanent specific appropriation and indefinite appropriation, without any reference to the amendment offered, we are not appropriating in this bill the sum of $2,240,294,000? Did the gentleman hear my question?

Mr. BYRNS. I thought I did.

Mr. GOSS. I said, in addition to the annual appropriation of $961,000,000, found on page 35 of the report, in order to get at the real appropriation for these two departments, we should add the figures on page 37, $1,278,000,000 and the $165,000, for the Post Office Department, which would make a total appropriation for the Treasury and Post Office Departments, including the specific and indefinite appropriations, of $2,240,000,000 odd.

Mr. BYRNS. Of course, if the gentleman wants to get at the total amount, it will be $1,278,731,138 for the Treasury Department, plus $165,000 for the Post Office Department

Mr. GOSS. And then plus $961,000,000 in the annual supply bill. That, in reality, would give us the total amount we are appropriating to-day on this entire bill, including the permanent appropriation, would it not?

Mr. BYRNS. That is the total amount; but we are only appropriating in this particular bill $961,000,000.

Mr. GOSS. But we have to appropriate for the permanent appropriations this other amount of $1,278,000,000.

Mr. BYRNS. We do not appropriate that. That is already appropriated, as I said.

Mr. GOSS. But it is to be considered as a part of the money spent by the department.

Mr. BYRNS. Undoubtedly it is subject to be spent by the departments; but we do not appropriate it in this bill, because it is carried from year to year.

Mr. GOSS. Well, the departments will have the power of spending $2,240,000,000 in this bill, including the permanent appropriations as well? Is that correct?

Mr. BYRNS. Well, I assume the gentleman knows his arithmetic, and therefore he has made a correct addition of the sums. I will accept the gentleman's statement.

Mr. GOSS. What I was getting at was how we are going to accomplish some of these economies in cutting down Government expenditures.

The pro forma amendment was withdrawn.

The Clerk read as follows:

SEC. 7. In order to keep within appropriations made for any particular service for the fiscal year 1934, or in cases in which the number of officers and employees in any particular service is in excess of the number necessary for the requirements of such service, the heads of the several executive departments and independent establishments of the United States Government and the municipal government of the District of Columbia, respectively, are hereby authorized and directed, instead of discharging officers and employees from the service, to furlough, without pay, any officers and employees carried on their respective rolls for such time as in their judgment may be necessary to distribute as far as practicable employment on the available work in such service among all the officers and employees of such service: *Provided*, That the higher salaried shall be furloughed first whenever possible without injury to the service: *Provided further*, That any administrative furlough taken pursuant hereto shall be in addition to the furlough required by any of the provisions of section 4 of this act: *Provided further*, That rules and regulations shall be promulgated by the President with a view to securing uniform action by the heads of the various executive departments and independent Government establishments in the application of the provisions of this section.

Mr. COCHRAN of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as a real friend of the Government employees of this country, I want to thank the gentleman from Tennessee [Mr. BYRNS] and his associates on the committee, Mr. ARNOLD, of Illinois, Mr. LUDLOW, of Indiana, Mr. WOOD, of Indiana, and Mr. THATCHER, of Kentucky, for playing Santa Claus to the Government employees. In the language of the street, these gentlemen have "taken it on the chin" in behalf of the Government employees. [Applause.] They were faced with the recommendation from the President not only providing for the carrying on of the furlough plan which has existed since last July, but also calling upon that committee to impose a further reduction in the salaries of the Government employees. They were faced with the demand of the people for a reduction in Government expenses. They have reduced the appropriation, but they have left the Government employees in the same position they have been since July 1, 1932.

The Members referred to have defended the bill as reported. One might think when he reads the RECORD, they are not friends of the Government employee, but I say to you the Government employees have no better friends. There is no telling what might have happened in the end if changes had been made in the furlough plan or the exemption raised. It must be remembered that we are running in the red nearly $5,000,000 a day. The Government employees must share with others the burden of reducing the expenses of the Government, and I am sure the great majority of them realize the situation. It is not pleasing work that must be performed by the committee, but they have handled the matter in such a way that every Government employee should feel obligated to them. [Applause.]

During the campaign the Democratic candidate made the statement that he would endeavor to reduce the expenses of the Government $1,000,000,000 if he were elected. The next day the Secretary of the Treasury demanded to know where he would reduce the Government expenditures $1,000,000,000; but two days later President Hoover announced that if he were reelected, he would reduce governmental expenditures by $1,250,000,000, and we heard no more from Mr. Mills. The recommendation came down here that further salary reductions be made, and I think the Government employees are exceptionally fortunate in having members of the Appropriations Committee, especially the subcommittee on the Post Office and Treasury appropriation bill who brought to the House a sensible bill which treated the employees fairly, while at the same time treating the taxpayers fairly. I want to——

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN of Missouri. I yield.

Mr. STAFFORD. For the sake of historical accuracy, I think the record should be kept clear. I do not care particularly to revive campaign issues, but when the gentleman states that the present President of the United States went the President elect one better and said he would reduce the Budget expenses a billion and a quarter, I fail to recall that speech, and I would have remembered it distinctly because I heard the President's speech over the radio in which he criticized the claim of Governor Roosevelt and said it was impossible to take off another $1,000,000,000, and he pointed out the impracticability of so doing.

Now, perhaps the President elect may have duped the people by making them believe he could reduce expenditures by a billion dollars, but the present President of the United States did not say they could be reduced a billion dollars, and I challenge the gentleman from Missouri to point out any statement of the President to that effect.

Mr. COCHRAN of Missouri. All right. I can. The gentleman from Wisconsin lost all interest in the election after the primary, so of course he does not remember.

Mr. STAFFORD. I never lose interest in an election, or interest in my distinguished colleague, the gentleman from Missouri, but to-day he misstated the fact by saying he was not representing rural carriers because he had none in his district when the fact is he was a candidate at large and was looking forward to representing them.

Mr. COCHRAN of Missouri. Not at that time. I was elected to represent a district entirely within the boundaries of the city of St. Louis where there are no rural carriers and I will continue to represent that district until March 4 next.

Mr. STAFFORD. And he knows that very well indeed.

Mr. COCHRAN of Missouri. I did not rise here to get into a discussion with the gentleman from Wisconsin, a valuable Member, one that I admire, who is always looking after the interests of the people. My purpose in speaking was to commend the members of this subcommittee and to have the record show that while they defended the bill as reported in so doing they were not assailing the interests of the Government employees but on the contrary were looking after their welfare. I hope this bill which will be passed in a few minutes will end for this session the question of further reducing Government employees' salaries. If it does, they have the members of the committee previously named to thank for it.

The pro forma amendment was withdrawn.

The Clerk concluded the reading of the bill.

Mr. BYRNS. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. MCMILLAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 13520 and had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. BYRNS. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

NEUSE RIVER, N. C.

Mr. STEVENSON. Mr. Speaker, I call up a privileged resolution.

The Clerk read as follows:

House Resolution 306

Resolved, That there be printed as a House document the letter from the Secretary of War, dated June 1, 1932, transmitting, pursuant to section 1 of the river and harbor act approved January 21, 1927, a letter from the Chief of Engineers submitting a report with accompanying plans and estimates of costs for the development and improvement of the Neuse River, N. C.

With the following committee amendment:

In line 1, after the word "printed," insert the words "with illustrations."

Mr. STAFFORD. Mr. Speaker, will the gentleman explain what I regard as a rather unusual resolution providing for the printing of some survey or report as to some stream, perhaps the Peewee stream, down in North Carolina?

Mr. STEVENSON. This is not an unusual resolution. Such resolutions have become rather unusual during my incumbency of the chairmanship of the committee, because we have not reported many of them. This is one that the North Carolina delegation has been very much interested in, and the proposition is one that will cost about $600, and the committee saw fit to report it and ask that it be passed. It is not an unusual resolution, but is the usual one.

Mr. STAFFORD. What is the need of having it printed as a special document at a cost of $600?

Mr. STEVENSON. That is the way they are always printed. There have been certain surveys of other rivers that cost something like $50,000 and we have not seen fit to print those. This is a very small matter and the committee saw fit to report it because the report is needed for the purpose of improvement of the Neuse River.

Mr. STAFFORD. Will the gentleman inform the House what is the rule with regard to the printing of these reports, because we have available the reports of the Army engineers without any special resolution of Congress.

Mr. STEVENSON. No; we do not have them in such printed form. This is the form in which they are usually published, but there have been very few of them published recently.

The SPEAKER. The question is on the committee amendment.

The committee amendment was agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEES

The Chair laid before the House the following communication:

HOUSE OF REPRESENTATIVES,
Washington, D. C., December 15, 1932.

Hon. JOHN N. GARNER,
Speaker of the House of Representatives.

DEAR SIR: I hereby tender my resignation as a member of the following committees of the House of Representatives: Flood Control, Territories, Accounts, Public Buildings and Grounds, effective at once.

WILLIAM J. DRIVER.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that general debate on the Interior Department appropriation bill (H. R. 13710) may be limited to the bill.

Mr. STAFFORD. Mr. Chairman, reserving the right to object, as I stated a day or so ago, perhaps in private conversation with the chairman of the Committee on Appropriations when he proposed a similar request, I question the advisability of shutting off Members absolutely from discussing questions of moment that affect the country. I have no objection to limiting debate and will join with the gentleman from Colorado in such a request, but I question whether it is advisable to shut off this long-established principle which Speaker Clark once said was a necessary essential to give the Members of the House an opportunity to express themselves on general questions. I will join in limiting the debate to one hour or two hours, or even less, but I do not think we should inaugurate a policy of foreclosing general debate.

Mr. BYRNS. Will the gentleman yield?

Mr. STAFFORD. Surely.

Mr. BYRNS. If we do not have general debate upon this bill, its consideration can be concluded in two or three days. There is another important bill, with which the gentleman is familiar, that is now in process of formation in the Committee on Ways and Means.

I have not talked with anyone, but I assume it is expected to take that bill up next week and consider it probably early in the week. We would like to get this bill out of the way, because the Christmas holidays are coming, and whether the holiday is to be long or short we would like to have this bill disposed of. There will be a number of appropriation bills after Christmas with plenty of opportunity for Members to discuss matters of general importance, just as they had an entire week in discussion of the President's message. I do not think anyone is going to be hurt by waiving general debate on this particular bill.

Mr. STAFFORD. Merely limiting the character of general debate does not foreclose the gentleman having the bill in charge from limiting the time of general debate. Mr. Speaker, I object.

Mr. BYRNS. We all know how embarrassing it is to deny a Member the opportunity of making a speech on some general subject when he wants to make one.

Mr. STAFFORD. Mr. Speaker, if this is going to be the only instance where the Committee on Appropriations is going to ask this privilege, I shall not object.

Mr. BYRNS. I would not want to promise that.

Mr. STAFFORD. I do not wish it understood, as a fundamental principle, we are going to foreclose general debate, because that right should not be denied the membership of this House.

Mr. BANKHEAD. Will the gentleman allow me to ask a question of the chairman of the committee?

The gentleman from Tennessee has stated there will be a number of appropriation bills for consideration immediately after Christmas. Is it probable the Interior Department bill will be the only appropriation bill that will be ready for consideration before the Christmas holidays?

Mr. BYRNS. No; I may say to the gentleman that I fully expect the Department of Agriculture appropriation bill will be ready in a few days, and we will then be prepared to go on with that bill if the way is clear.

Mr. BANKHEAD. I ask the question because many gentlemen have been inquiring of me in regard to the program.

Mr. SNELL. Can the gentleman state how long a vacation we are going to have for the holidays?

Mr. BYRNS. The gentleman will have to ask somebody else that question. I will refer him to the Speaker and the gentleman from New York [Mr. SNELL].

Mr. SNELL. I think it is time that we should know, because several Members are making inquiries of me, and I would like to get the information.

Mr. BLANTON. Will the gentleman yield?

Mr. BYRNS. I will, but I have not the floor.

Mr. BLANTON. What is the use of meeting here between Christmas and New Year, when there will not be a quorum and we can not transact any business?

Mr. STAFFORD. Mr. Speaker, for the time being I object.

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 13710, the Department of the Interior appropriation bill, and I will ask the gentleman from Ohio if he has any suggestion to make as to the time for general debate?

Mr. MURPHY. I have only one request for 30 minutes.

Mr. DYER. Let us take 1 hour—30 minutes on a side.

Mr. MURPHY. I would suggest to the gentleman that we have one hour on each side.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that general debate be limited to one hour on each side.

The SPEAKER. The gentleman from Colorado asks unanimous consent that general debate be limited to one hour. Is there objection?

Mr. DE PRIEST. Mr. Speaker, I object. We can not do justice to both sides on this bill in two hours.

Mr. TAYLOR of Colorado. Mr. Speaker, then I move that general debate be limited to one hour on each side.

Mr. SNELL. That is not in order at this time. Let it run along now, and we will decide on that to-morrow.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent that the debate be controlled one-half by myself and one-half by the gentleman from Ohio.

The SPEAKER. Is there objection?

There was no objection.

The motion of Mr. TAYLOR of Colorado was then agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. BLAND in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 13710) making appropriations for the support of the Interior Department for the year ending June 30, 1934.

Mr. TAYLOR of Colorado. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. LANHAM].

Mr. LANHAM. Mr. Chairman and gentlemen of the committee, I have asked for this time for the purpose of calling attention to a bill which I have to-day introduced.

The so-called soldiers' bonus is a question to which we have all given much consideration, and there is much diversity of opinion as to what policy should be pursued with reference to the proposal for the payment of the remainder of the bonus certificates at this time. However, I wish to address my remarks to possible legislation affecting veterans of the World War which, in my judgment, should not be controversial.

Some time ago a law was passed which authorized the veterans of the World War to borrow one-half of the amount of their adjusted-service certificates.

Since the time these loans were made to the veterans, we have been going through a period of depression the severity of which was anticipated neither by them nor by us. The loans upon these certificates are bearing interest at the rate of 4½ per cent, compounded annually. Under the deplorable conditions which exist, most of these veterans are unable to pay the interest or to repay the loan. If this interest is permitted to continue until the time these certificates terminate by law and become payable, it will in many instances absorb practically all of the remainder of the principal. In view of the fact that these veterans have been thrown into this unfortunate situation through no fault of their own, it seems to me that they are entitled to consideration and to such action in a legislative way as would prevent them from having to forfeit through these interest charges practically all of the remainder that would be due on those certificates when finally paid. At the same time it must be borne in mind, as was evidenced by the fact that the proposal to pay the remainder of the bonus at this time failed of passage in the last session of this Congress, that the Government is not in a position now to make any large outlays. Consequently I have introduced a bill seeking to do justice to the veterans who find themselves in this unfortunate situation and at the same time to do justice to the Government by requiring no large expenditure. I have introduced the bill as a predicate for consideration of the matters involved in it. Perhaps it is not ideal. Perhaps there are some angles not touched by it. Personally, I should like to see all of the interest remitted and the amount which has been received as loans considered as partial payments when the adjusted-service certificates finally mature.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield five minutes more to the gentleman.

Mr. MOUSER. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. Yes; briefly.

Mr. MOUSER. If the gentleman's proposal should be carried into effect, the World War veterans would be satisfied and there would not be a continual agitation for the payment in cash of the bonus or by bonds at a time when the Government can not afford it?

Mr. LANHAM. I think that would likely be the result, and I thank my colleague for his contribution. This bill provides that upon the written request of a veteran the amount which has been borrowed by him against his adjusted-service certificate, plus the interest which has accumulated upon it and been unpaid, shall be applied as a partial payment upon the adjusted-service certificate, and that there shall be turned over to the veteran the certificate which the Government now holds as security for the loan.

I make the same provision, upon the written request of the veteran, when the loan has been negotiated through banks rather than through the agencies of the Veterans' Administration here in Washington. I provide that it shall be upon the written request of the veteran because of the fact that some veterans may desire to pay off the loans and have their adjusted-service certificates remain in their original condition.

This proposal will not likely involve any outlay upon the part of the Government that the Government is not going to be called upon to bear anyway. It will, in my judgment, do justice to these men who, through no fault of their own, are unable in these days of strain and stress and depression to pay the interest which is being compounded annually on their loans, and I think the bill which I have introduced offers the basis for discussion toward a desirable end which will involve no additional present outlay on the part of the Government. At the same time it will relieve many of these veterans who find themselves in such circumstances that they can not pay this interest and are likely to have the remainder of their certificates absorbed by it.

The bill perhaps is not ideal, but I do think, in spite of the many angles presented, something along this line can be worked out that will involve no outlay on the part of the Government other than outlays it will necessarily have to make under present conditions.

Mr. HOOPER. Mr. Chairman, will the gentleman yield?

Mr. LANHAM. Yes.

Mr. HOOPER. Does the gentleman's proposal act retroactively as to the interest accrued up to this time, or does it relate to future interest?

Mr. LANHAM. The proposal which I have made is one made purely as a basis for discussion. Personally, I should like to see the interest remitted from the time the loan was made and that loan considered as a part payment of the amount to become due. I have provided here that the interest due up to the time of the enactment of the bill, together with the loan made, shall be a charge against the certificate on final payment and the certificate returned to the veteran, no longer to be held as security.

Mr. HOOPER. It refers to future interest?

Mr. LANHAM. Yes. There would be no future interest accruing. I think this matter worthy of serious consideration, and I trust that Members will give it that consideration from the standpoint of trying to do justice both to the Government and to the veteran.

The text of the bill I have introduced is as follows:

A bill to provide that in certain cases loans to veterans upon adjusted-service certificates shall be considered partial payments, and for other purposes

Be it enacted, etc., That upon written request of any veteran to whom the Administrator of Veterans' Affairs has made a loan upon an adjusted-service certificate prior to the date of enactment of this act, on which the principal and interest have not been paid in full (whether or not the note has matured) prior to the date of such request, the administrator is authorized and directed to deduct from the face value of the certificate the amount of the unpaid principal and the unpaid interest accruing prior to the date of filing such request, cancel the note, and restore the certificate to the veteran.

SEC. 2. Upon written request of any veteran to whom a bank has made a loan upon an adjusted-service certificate prior to the date of enactment of this act, which has been, or is hereafter, satisfied by the administrator by payment to the bank under the provisions of subsection (c) of section 502 of the World War adjusted compensation act, as amended, the administrator shall deduct from the face value of the certificate an amount equal to the sum of (1) the amount paid by the United States to the bank in satisfaction of the bank loan, plus (2) interest on such amount from the date of such payment to the date of such request, and restore the certificate to the veteran.

Mr. MURPHY. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. STOKES].

Mr. STOKES. Mr. Chairman, we all agree that the greatest and most important problem we have before the country to-day is getting men back to work at reasonable wages. The best way to accomplish this, in my opinion, is to endeavor to restore business conditions to normal. So long as factories and mills can not operate at a profit they will not employ men.

We can not restore business conditions to normal, in my opinion, until we can find a market for our surplus goods and commodities abroad. England, Canada, Europe, and South America have not been buying from us anything like the amount they do in normal times.

While the supplying of our 120,000,000 American people with the necessities of life requires a certain amount of labor, transportation, and manufacturing, it is not enough without the aid of foreign markets to keep our huge industrial organizations and corporations working at a profit.

These organizations and corporations were, in a measure, built up and increased to their present size, during the World War and subsequent thereto, to supply a market that was without a doubt augmented by our loans to foreign countries.

England and Canada are our two best customers. England in 1929 purchased $840,000,000 of our goods, while in 1931 England purchased only $320,000,000 worth of our goods. Canada in 1929 purchased $900,000,000 worth of our goods, whereas in 1931 she purchased $320,000,000 worth of our goods; representing a total loss of business of over $1,000,000,000 for the two countries in one year.

We can best judge the future by the past; let us look back at history.

At the end of the Napoleonic wars all the countries of Europe were in debt to England. The burden was so great that commerce was paralyzed until England canceled them all, with one or two exceptions, and after that there was a season of universal prosperity in which England reaped the greatest profits.

I favor a restudy of this important subject of the debts owed by the allied governments to the United States. In order to recall to our recollection some of the facts that were mentioned at the time the money was paid in 1917, I want to quote some statements of Congress, which I procured from the CONGRESSIONAL RECORD (65th Cong., vol. 55, pt. 1):

Mr. RAINEY said:

We are not making this loan for the purpose of making an investment of our funds. We are making this loan in order to further our interests primarily in this World War.

Mr. Fitzgerald said:

I have little sympathy with the suggestion that possibly we will not get our money back. I care not so much if we do not, if American blood and American lives be preserved by this grant of money.

Mr. LAGUARDIA said:

Yes; I believe that a good portion will be in due time returned, but I am certain that some of it will have to be placed on the profit and loss column of Uncle Sam's books. Let us understand that clearly now, and not be deceived later. Even so, if this brings about a speedy termination of the European war and permanent peace to our own country, it is a good investment at that.

Mr. PARSONS. Will the gentleman yield for a question?

Mr. STOKES. I yield, briefly.

Mr. PARSONS. Is it not a fact that practically all of the loans made prior to the armistice were canceled in the Debt Funding Commission of 1923?

Mr. STOKES. I do not think so. Part of them were, but only a small part.

Mr. STAFFORD. Not so, as far as loans to Great Britain were concerned, which were the major loans. More was loaned after the armistice than before to France, and there were other loans made to other countries as well.

Mr. STOKES. Mr. Madden said:

I would not care whether these loans were repaid or not. We are starting out to win a victory, as I understand it, to maintain American rights; and if we can maintain American rights by furnishing money to somebody willing to fight our battles, until we are prepared to fight those battles for ourselves, we ought to do it.

In the Senate the speeches were to the same effect:

Senator McCumber said:

While we are recognizing that we are putting $7,000,000,000 into this battle, we must not fail to recognize that we are not as yet putting in a single one of our American soldiers, while blood is being poured out by our allies in unstinted measure.

Senator Kenyon said:

I want to say this, Mr. President, that I hope none of these loans, if we make them, will ever be repaid, and that we will never ask that they be paid. We owe more to the Republic of France for what it has done for us than we can ever repay.

Senator Cummins said:

I should like to give the Allies $3,000,000,000 if they need the contribution, with never a thought of its repayment at any time or under any circumstances.

Charles Crisp, for 20 years a leading Member of this House and now a member of the Tariff Commission, said in a speech on this floor, December 18, 1931:

Right after the war Great Britain came voluntarily and freely and settled her debts on a generous basis, and if there can be any equity, in a change as to any of them, it is in the case of Great Britain.

The gentleman from Massachusetts [Mr. TREADWAY] stated last week on the floor of the House:

The settlements arrived at by the Debt Commission, at the time, were fair and justly made in proportion to the capacity of the debtor nations to pay.

This statement is very true and I do not deny it. But since the date on which the settlements were made the capacity of the debtor nations to pay has been severely reduced.

There are only two methods by which payment can be made.

First. By payment in gold.

Second. By payment in goods.

The United States now holds $4,300,000,000 in gold, which is between 40 per cent and 50 per cent of the entire world supply.

The British payment yesterday will increase it by $95,550,000.

Most of the foreign nations need what little gold they have as a basis for business credit.

They can not pay in goods because of the great drop in commodities. Wheat at 41 cents is the lowest in its history. Copper last week at 5 cents touched its all-time low. Without giving a detailed statement, we know that nearly all commodities are recording extremely low prices. When these loans were made commodities were four or five times higher than they are to-day.

An authority on cotton, Mr. Clayton, last week said:

The enormous buying power of the South, upon which is dependent the employment of several hundred thousand men in factories throughout the country, is inactive to-day, because Europe can not buy the produce of the cotton farmer.

Calling attention to the fact that the cotton farmer must sell six bales abroad for every five he sells in this country, if he is to prosper, he asserted that the only way out for the grower was to do everything possible to restore the buying power of his best customer, namely the continent of Europe. The swiftest and most effective way to accomplish this, he declared, was to revise the intergovernmental debts downward to a point where they will not interfere with Europe's capacity to buy the cotton that it needs.

The matter of a satisfactory settlement of these debts is, therefore, very important for the interests of the cotton States, and to a lesser extent to the wheat belt.

The Texas Weekly, published at Dallas, dated July 9, 1932, states as follows:

One-third of the people of Texas depend on the foreign market for cotton for their living. The fact that Europe used to spend about one million dollars a day in Texas for cotton alone, but during the past year has not spent much more than half of that amount for cotton in the entire South, ought to prompt Texans to inquire why this is so, and to make an effort to find out the answer to that question.

The National City Bank of New York, in its December review, states as follows:

Emphasis is laid upon the great body of domestic indebtedness in default, and Congressmen say that it is impossible for them to release foreign debtors from their obligations, which are needed to give relief to our debtor classes. This view of the proposals is a mistaken one. The true purpose is to consider the part that international debt payments have played in the breakdown of world trade and the influence they will have, if continued, to prolong the depression. The people of the United States, with their great volume of exports, are as much interested in this as any people. The price of our export commodities, of which wheat and cotton are the outstanding examples, are of vital importance to our own debtor class.

At the time the loans were made the transfer problem was simple, inasmuch as the money was borrowed for the very purpose of buying American commodities. In effect, the United States loaned the goods to Europe, and loaned them at inflated war-time prices. The task of repaying those goods at present deflated prices, therefore, is far from simple.

The German reparations originally placed by the four allies at about $125,000,000,000 were reduced by the Versailles treaty to $31,680,000,000, and then under the Dawes plan to about $12,000,000,000 and later by the Young plan to about $8,000,000,000 and by the Lausanne agreement further reduced to about $712,000,000. Are we not going to do our share in cooperating in the magnificent achievement which Ramsay MacDonald and his associates accomplished? The New York Tribune, in an editorial dated December 1, states:

So far as the Budget is concerned, more real help would clearly be obtained through a lump-sum settlement than through payment in full under present agreements. A number of economists have advocated this proposal. The settlement of reparations at Lausanne was of this kind. By the Lausanne agreement the Allies agreed to accept 3,000,000,000 reichsmarks ($750,000,000) in bonds, sell them, and divide the proceeds. A similar settlement of the allied debts might call for the delivery to us of, say, $1,000,000,000 in bonds, guaranteed by them jointly and severally.

Based upon the above thought the following plan suggests itself: Cancel all foreign government debts and in their place accept a bond issue of, say, $1,000,000,000, at 5 per cent, from the allied powers to run for a period of 50 years. Then sell to the American public a 50-year United States Government 3 per cent bond for the same amount. These latter bonds to be a direct obligation of the United States Government, but specifically secured by the one billion of the allied bonds. The difference in the coupon rate between the two issues of 2 per cent, or $20,000,000 a year, to be used as a sinking fund to amortize the American issue. In this way the entire American issue would be paid off by maturity and we would still have the $1,000,000,000 allied bonds. Meanwhile the Treasury would have $1,000,000,000 in cash to balance the Budget.

In order to preclude misunderstanding, I am not in favor of cancellation but am in favor of a happy mean between the two extremes, if we can agree on it, which may suit all parties.

To be sure, they owe us the money according to the letter of the law, but as we are told, and truly told, by the Apostle Paul, "The letter killeth, but the spirit giveth life."

To-day the entire country, nay, the whole world, needs stimulation, needs the spirit of new life to renew again the confidence, the hope, enterprise, the courage of nations, in the words of Lincoln, "that the weight may be lifted from the shoulders of all and that all may have an equal chance."

With the severe depreciation of the pound sterling and the Canadian dollar, they can not afford to buy our goods, because it means they are paying from 25 to 30 per cent more for the article.

Between September 1, 1932, and November 29, 1932, the decline in sterling brought drastic declines in cotton and wheat, as follows:

	As of Sept. 1, 1932	As of Nov. 29, 1932	Decline
			Per cent
Sterling (exchange rate)	$3.47	$3.14½	9½
Cotton (price per pound)	.083	.058	30
Wheat (price per bushel)	.57	.44	23

This decline in the commodity price of cotton and wheat applied to the crop this year represents losses of $150,000,000 and $92,000,000, or a total of $242,000,000, in comparison with $95,000,000 to be paid by England on December 15.

Many economists have pointed out that a substantial scaling down of the debts would promote economic recovery

to such an extent that the added tax burden would be far more than offset by the increase in the national income.

The committee for the consideration of intergovernmental debts, after analyzing the part played by the debts in contributing to the present paralysis of world trade and examining the possible disastrous effects of insisting on full payment, states the case for revision as follows:

A reasonable readjustment of intergovernmental debts promises far greater material benefits to the American people than the direct income which would be received if payment could be made in full. Any action on our part which would maintain the solvency of Europe and revive its power to buy American goods would be a stimulus to our own trade and renewed prosperity at home.

It was Napoleon who stated the moral is to the physical as 3 is to 1.

In the reasonable readjustment of these debts we would be giving up very little in the actual cost, but we would be making a tremendous contribution to the moral value of returning confidence in the world, and above all else be adding a powerful factor in the hoped-for advance of world commodity prices, without which neither the farmer nor the wage earner can get very far.

Let us not forget it was not France nor England that first proposed the moratorium but the United States, and conditions now are but little better than they were a year ago.

The Bank for International Settlements in a report dated May, 1932, states:

All the evidence available leads to the conclusion that any hope that a single country may achieve prosperity apart from the rest of world would indeed be based on an insecure foundation.

We appeal to the governments on whom the responsibility for action rests to permit of no delay in coming to decisions which will bring an amelioration of this grave crisis which weighs so heavily on all alike.

Washington in 1784 said to Lafayette:

We have been contemporaries and fellow laborers in the cause of liberty, and we have lived together as brothers should, in harmony and fellowship.

Here in this Chamber, on the right hand of the Speaker, hangs the portrait of Washington, and on his left hand is that of the Marquis of Lafayette, placed here in order to commemorate in perpetuity the friendship of the two great nations, in order that we may never forget all that France did for us when we achieved our independence. [Applause.]

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield.

Mr. BLANTON. I want to ask my friend if he is forgiving all his debtors, and if all his creditors are forgiving him, and whether or not this Government is now forgiving all its nationals? The United States is now collecting from our own people dollar for dollar covering everything they owe.

Mr. STOKES. They are doing this to help the farmers in the district of the gentleman from Texas sell their cotton.

Mr. BLANTON. Never in the world. To carry out the suggestions indicated by the gentleman would result in saddling upon the shoulders of the farmers and other citizens of the United States the $11,500,000,000 which the foreign countries owe us and ought in all justice to pay. France can pay, but will not, and is thereby guilty of base ingratitude.

Mr. TAYLOR of Colorado. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman, yesterday I made some observations in reference to subsidies and subventions paid to ocean steamship companies for carrying our foreign mail. Many of the contracts made under authority of the merchant marine act of 1928 are extravagant, wasteful, and involve a prodigal and excessive expenditure of public funds.

To-day I desire to give a few concrete illustrations of the legalized plunder, graft, and reckless pocket picking that is being carried on under provisions of said act. Many of the contracts made by the Post Office Department for carrying our foreign mails can not be justified by any process of reasoning or made to harmonize with any sound public policy. In many instances the compensation has been grossly excessive. The system of subventions and subsidies contemplated by the merchant marine act has been carried to unreasonable limits.

In the last fiscal year we appropriated approximately $36,000,000 to a few concerns for transportation of our air and ocean mail. This is one of the many extravagant expenditures that has unbalanced our Budget and unreasonably and unnecessarily increased the tax burdens of the American people.

For the fiscal year ended June 30, 1931, ocean steamship companies were paid $18,790,765.72 for carrying our foreign mails. If these companies had received for this service only the compensation provided by section 4009, Revised Statutes, the cost to the United States Government would have been $2,925,216.25. In other words, for carrying these ocean mails, a few favored steamship companies were paid a bonus, subsidy, or subvention of $15,865,548.97, receiving, in addition to full pay at standard rates, a bounty or subsidy of more than five times the compensation payable under the general statute fixing compensation for service of this character. The merchant marine act enables the Postmaster General to pay exorbitant rates for this service.

To illustrate:

The American West African Line (Inc.) was paid $87,862.50 for carrying 133 pounds of mail which was at the average rate of $660.62 per pound, while the cost at rates under section 4009 would have been only $42.32. In this transaction this company, for carrying only 133 pounds of mail, was paid a subsidy, bonus, or subvention of $87,820.18.

The Grace Steamship Line was paid $238,500 for carrying 2,892 pounds of mail, which was at the average rate of $82.47 per pound. For carrying 2,892 pounds of mail, this company received a bonus, subsidy, or subvention amounting to $238,041.12.

The Mississippi Shipping Co. was paid $607,792.50 for carrying 161 pounds of mail, which was at the average rate of $3,775.11 per pound. Under the rates prescribed by said section 4009 the cost of carrying this 161 pounds of mail would have been only $95.68, and for this trivial service this subsidized shipping concern was paid a bonus, subsidy, or subvention of $607,696.82.

The South Atlantic Steamship Co. of Delaware carried only 74 pounds of mail, for which it was paid $363,022.50, or at the average rate of $4,905.71 per pound. At rates prescribed by said section 4009 the cost of this service would have been only $32.56, but this beneficiary of governmental favoritism received a bonus, subvention, or subsidy of $362,989.94.

The Tampa Interocean Steamship Co. carried only 85 pounds of mail, for which it received $438,775, or an average rate per pound of $5,162.06. Under the provisions of said section 4009 the cost of this service would have been only $58.64, but this steamship company received as a bonus, subvention, or subsidy $438,716.36.

During the fiscal year ended June 30, 1931, the following sums were paid as bounties, subsidies, or subventions, over and above the cost of the service under said section 4009:

American Line Steamship Corporation	$390,293.49
American Mail Line (Ltd.)	609,086.15
American Scantic Line (Ltd.)	508,311.31
American South African Line (Inc.)	244,498.01
American West African Line (Inc.)	300,645.57
Do	87,820.18
Atlantic & Caribbean Steamship Navigation Co	248,838.60
Colombian Steamship Co. (Inc.)	182,063.54
Dollar Steamship Line	1,961,625.57
Eastern Steamship Line (Inc.)	216,321.68
Export Steamship Corporation	1,378,017.61
Grace Steamship Line	1,358,616.97
Gulf Mail Steamship Co. (Inc.)	15,631.06
Lykes Bros. Steamship Co. (Inc.)	317,721.86
Mississippi Shipping Co	607,696.82
Munson Steamship Line	1,190,263.60
New York & Cuba Mail Steamship Co	1,099,499.47
New York & Puerto Rico Steamship Co	12,933.59
Oceanic Steamship Co	420,855.99
Oceanic & Oriental Navigation Co	881,373.45
Pacific Argentine Brazil Line (Inc.)	286,257.14
South Atlantic Steamship Co. of Delaware	362,989.94
Panama Mail Steamship Co	438,459.74

States Steamship Co	$575,861.42
Tacoma Oriental Steamship Co	346,267.86
Tampa Interocean Steamship Co	438,716.36
United Fruit Co	384,748.42
United States Lines	1,000,134.07
Total subsidies	15,865,548.97

I am not opposed to our development of a great merchant marine, but this end can not be accomplished by hothouse methods. Many of these ocean mail contracts are not far removed from legalized graft. No one is proud of the way in which our shipping interests have been handled since the World War. Under the guise of patriotism and on the specious plea of building up our foreign commerce we are enriching a few ocean steamship lines by the payment of unconscionable subsidies, funds for which must be supplied by the American taxpayers. In the interest of a normal and lasting development of our shipping interests, there should be a radical change in the administration of the merchant marine act. The results are not comparable with the extravagant expenditures of public funds. The merchant marine act of 1928 is being unwisely and extravagantly administered. The grave abuses that have grown up in the administration of this governmental activity must be corrected and the prodigal expenditure of public funds halted. [Applause.]

Mr. PARSONS. Mr. Chairman, will the gentleman yield?

Mr. LOZIER. I yield.

Mr. PARSONS. I would like to know if among the list of these companies the gentleman finds listed the name of the steamship company of the publicity manager of the National Economy League, Mr. Archibald Roosevelt, and how much, if any, subvention that company is receiving?

Mr. LOZIER. Answering the gentleman from Illinois, I have not examined the roster of the offiers or the personnel of any of these companies, but I do say as a friend of American shipping that it can not be developed to a high degree by hothouse methods.

[Here the gavel fell.]

Mr. MURPHY. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. MOUSER].

Mr. MOUSER. Mr. Chairman, I do not want the members of the committee to get any notion that I do not know the proprieties of a newer Member of Congress, and I do not want to consume too much of the time of this committee, but there are certain questions which are to come before us during these strenuous times which I deem of sufficient importance to address myself to as the occasion may require.

I see by the newspapers that the committee appointed by this body to investigate the expenditures incident to the administration of the benefits given World War veterans and the sums these disabled veterans receive has a secret report. I do not know why there should be anything secret about the facts obtained in investigating this question as to whether or not the benefits granted to those who enlisted in that great conflict are greater than they should be, or whether the money we are expending is being diverted into channels that were not intended by this Congress.

I was a member of the subcommittee of three appointed by the then chairman of the Pensions Committee, the gentleman from Minnesota [Mr. KNUTSON], to investigate activities of the Veterans' Bureau in administering the compensation laws we had passed, with a view to drafting legislation which might be presented to the Congress of the United States for the purpose of seeing that justice was obtained for World War veterans. The real author of the so-called disability allowance bill is the gentleman from Pennsylvania [Mr. SWICK]. It was my privilege, along with the gentleman from Georgia [Mr. GASQUE], to serve upon that subcommittee.

Mr. GOSS. Mr. Chairman, will the gentleman yield?

Mr. MOUSER. I yield.

Mr. GOSS. I wish to inquire what report of the committee the gentleman refers to?

Mr. MOUSER. It is my understanding it is the committee that was appointed under the economy act of last session.

Mr. GOSS. Is it the one appointed under the economy act of last session?

Mr. MOUSER. Yes; it is the one we are reading about in the newspapers, which has the secret report. I do not know what it contains.

I am speaking in round numbers because I was unable to get the data from my files due to the short notice I had before addressing this body this afternoon upon this question. At that time we developed the fact, and obtained information from the Veterans' Bureau, as it was called then, now the Veterans' Administration, that we were expending in salaries for Veterans' Bureau employees $43,000,000, when there were only one hundred and eighty-one thousand and some odd veterans who had been able to prove by the technical evidence required the service-connected nature of their disabilities.

Mr. PARSONS. What year was that?

Mr. MOUSER. Just a moment and I will bring that out.

I recall this subcommittee had a meeting in the Speaker's office, the distinguished Ohioan, the Hon. Nicholas Longworth, then being Speaker. Mr. Tilson, the then majority leader, was present, as was the gentleman from New York [Mr. SNELL]. I am not going to invade the proprieties of that occasion by discussing attitudes, but suffice it to say that when we presented the figures showing how much money was going for red tape and administration—money which this Congress had appropriated with the idea in mind of taking care of those who actually sustained disability in the service of the country—it was found to be so great that the distinguished leaders of the Republican House at least gave attention to that which we were suggesting.

It was not long thereafter that the gentleman from Minnesota [Mr. KNUTSON] went to the White House. I do not know the conversation that took place there. If I did, I would not reveal what occurred. Suffice it to say the President of the United States, on the 3d day of July, 1930, the day the long session of Congress of that year adjourned, signed that bill.

Now, let us see what has happened. There are those who are now receiving great pensions from this Government who are decrying the fact that many veterans of the World War who were not able to furnish the technical evidence required to show the service-connected nature of their disabilities are now drawing the magnificent sums of $12 to $18 a month, under the disability allowance act of July 3, 1930.

In the last campaign in Ohio the editor of a great newspaper who evidently had listened to propaganda advanced by selfish interests, who wanted to take away from the ordinary citizen, in order that perchance they may not pay any income tax, the meager sum a veteran gets from a grateful Government because he bared his chest in time of war, because he underwent the hardships of camp, because he braved the dangers of submarines in going overseas, because many of them, yea, thousands of whom, laid down their lives, because of pestilence such as influenza and the awfulness of modern warfare.

Mr. McGUGIN. Will the gentleman yield?

Mr. MOUSER. Just for a moment; I have only a short time.

Mr. McGUGIN. Can the gentleman give us any idea what number of cases on the disability allowance roll are what we call border-line cases as compared with those which are obviously for disabilities incurred since the war?

Mr. MOUSER. If I remember the history of the legislation correctly, the very purpose of writing into law provisions for disability allowance or pensions, if you please, was to take care of the border-line cases where veterans were unable to supply the technical proof required by the Veterans' Bureau which, by administrative, action had perfected regulations that were so technical that a man could not possibly supply the evidence required.

I know something about these claims. I have maintained a service office for World War veterans and other veterans and their dependants, and I have paid out of my pocket the expense of this office in Marion, Ohio, and I have sev-

eral hundred active claims pending to-day. I have assisted in preparing the affidavits, and every three weeks while I have been home I have gone to the office of the Veterans' Bureau in Cleveland, because five of my counties are under the jurisdiction of the Cleveland office and one is under the jurisdiction of the Cincinnati office, and to show you how inequitable are the decisions because of different interpretations of regulations I have gotten more service for the boys in the five counties under the jurisdiction of the Cleveland office than I have for those of the one county under the jurisdiction of the office in Cincinnati, yet the claims, on the merits and on the face of the evidence, have been identical.

[Here the gavel fell.]

Mr. MURPHY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. MOUSER. My friends, a very distinguished citizen of Virginia flew over the North Pole and because of the remarkableness of his feat, the daring of that flight, made undoubtedly to add luster to his country's name, but probably from the human standpoint to add luster to his own name, it is my understanding that the Congress retired him from the Navy at an early age. He was promoted to rear admiral and was retired at that rank because of his feat, and to-day is drawing the difference between two-thirds of the base pay of a lieutenant commander and that of a rear admiral in the form of a pension. Certain rich people who do not want these boys to get the meager sum they are getting and who are trying to put over the sales tax in order that the ordinary citizen of this land shall bear all of the burden of taxation are back of this movement. The argument of our balancing the Budget last year—and we did not balance it—was a smoke screen to hide behind for those who are rich and powerful and do not desire to pay the Government income taxes. This man has joined a tax league, an economy league, and he joins with others and says that the boys who are now getting this disability allowance should have it taken away.

I am no respecter of persons when it comes to politics along this line. I am well aware of the record of that great leader, Black Jack Pershing, who led the boys in khaki successfully and crushed the backbone of Germany's offensive in the World War. He was kindly and considerate. He was a great leader. I would not detract for a moment from the illustrious name he has given us and our children's children, but, when he is discussing a matter of economy, without casting any reflection upon him I can say to that gentleman, who is receiving thousands of dollars as a pension, or as retirement pay, if you please, at a higher rank than he would have gotten if he had not been the great leader in the war, that he can not tell me that the boy who has been keeping his family in this time of distress upon the $12 or $18 he has received, should not receive this money from a grateful Government.

The newspaper I started to speak about when I was interrupted sent me a questionnaire on economy during the last campaign and the editor asked me this question:

Are you in favor of a general pension law for World War veterans?

I will give the newspaper credit. They printed my reply without comment. I said to that editor, "Do you not know that there is already upon the statute books a general pension for World War veterans and that the basis of all pension legislation has been the degree of disability from which they are suffering?" This policy adopted by the Government as to pensions, harkens back to the Mexican War, the Indian wars, and the Civil War, as well as the Spanish-American War, yea, when the boys who wore the blue were getting from $4 to $6 a month. It was only when they were in the evening of life, in the seventies and in the eighties, that there was any age provision written into the law.

I was one of those who opposed the consolidation of the Bureau of Pensions into the Veterans' Administration because I felt there would grow up in this country a bureaucracy of Federal employees who would be thinking more about maintaining their jobs than anything else. I believe time will justify my conclusions. At the time of consolidation the old Bureau of Pensions, in existence for a hundred years, had 250,000 pensioners upon the rolls, and was being operated for slightly more than a million dollars per annum. Let us be aware in the name of economy, of false doctrines and prophets, who because of selfish purposes are endeavoring to avoid their just share of taxation by taking away well-earned benefits by the defenders of the Republic and the democracy of the world. Let us think of the ordinary citizens, the buck privates of that great worlds catastrophe, their wives and little ones, and not the rich and powerful—many of them war profiteers—who always hold up a scarecrow when humanitarian legislation is being written. The disability allowance payable only when a veteran is at least 25 per cent permanently disabled—a godsend to many veterns' homes, especially now, should not be repealed. If we take away from buck privates, then take away from the officers now receiving thousands of dollars—then this propaganda will cease.

[Here the gavel fell.]

Mr. TAYLOR of Colorado. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BLAND, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 13710, the Department of Interior appropriation bill, and had come to no resolution thereon.

ELECTION OF MEMBERS TO COMMITTEES

Mr. RAGON. Mr. Speaker, by direction of the Ways and Means Committee, I present the following resolution.

The Clerk read as follows:

House Resolution 322

Resolved, That the following Members be, and they are hereby, elected to the standing committees of the House of Representatives, to wit:

WILLIAM J. DRIVER, of Arkansas, to the Committee on Rules; and AMBROSE J. KENNEDY, of Maryland, to the Committee on the District of Columbia, the Committee on Claims, and the Committee on War Claims.

The resolution was agreed to.

ORDER OF BUSINESS

Mr. SNELL. Mr. Speaker, several gentlemen have asked me whether we are to take up the Unanimous-Consent Calendar on next Monday.

The SPEAKER. Next Monday is consent day, and also suspension day. If there is any business on the Consent Calendar it will be called up, and, I might add for the information of the RECORD, possibly suspensions.

PAYMENT OF ADJUSTED-SERVICE CERTIFICATES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to insert in the RECORD a speech that I delivered last night over the radio.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

Ladies and gentlemen of the radio audience, I am indebted to the National Broadcasting Co. for the time used in this broadcast. I want to thank the officials of the company for this opportunity to talk to the radio audience on the subject announced.

At the last session of Congress, the House of Representatives by a vote of 211 for to 176 against passed a bill to pay in cash the remainder due on the adjusted-service certificates. This bill was often referred to as the bonus bill. An adjusted-service certificate does not represent a bonus; it represents a debt that has been acknowledged by Congress to a veteran of the World War for services rendered. Three million five hundred and fifty-five thousand and fifty-eight veterans hold these certificates; the average value is $1,000. About 75 per cent of the certificates have been pledged for loans; there is a remainder due at this time after deducting prior loans of about $2,200,000,000.

The bill that passed the House was defeated by the Senate. We expect to urge the passage of a similar bill at this session of Congress. The bill is designated as H. R. 11992.

A large number of people are now enthusiastically advocating the passage of this bill who were opposing its passage a few months ago. We believe that it is the only plan yet proposed that will bring immediate relief to every section of the country.

It is the only way that the currency can be expanded without causing people to get further in debt, pay more interest, or by giving a dole.

The Reconstruction Finance Corporation was given authority by the last Congress to lend $3,800,000,000 to the banks, insurance companies, railroad companies, and other corporations. This credit is not causing an expansion of the currency. No new money involved—just credit and more interest to be paid. The country will be benefited more by paying 3,550,000 veterans $2,000,000,000 than it would be by lending 25 Daweses $80,000,000 each, or $2,000,000,000. If the veterans of Chicago had been paid the $82,031,733.80 that they would get under this bill, Mr. Dawes would not have needed the $80,000,000 loan.

In substance, the bill provides that the veteran can deliver his certificate to the Administrator of Veterans' Affairs and receive in return therefor new money for the amount that is due on it after prior loans are deducted. The new money will be United States notes—the same kind of money that is in circulation to-day. Our opponents can not defend their position in a discussion with an informed person on this subject, but endeavor to condemn the proposal with such terrifying phrases as "fiat money" or "printing-press money." Let us look at the bugbear of printing-press money. There are two kinds of money—paper currency and coin. The public prefers the paper money to coin. The Bureau of Engraving and Printing, which is located here in Washington, prints the paper money in a large-sized manufacturing plant of the modern type, employing 4,500 people. Eighty per cent of the total amount of money in circulation is paper money. This money plant of ours is turning out an average of 3,000,000 new bills (greenbacks) a day of the total value of from three to five million dollars. That is the kind of money we are using. Most of this money that is printed each day is used to replace worn-out currency, but much of it is new money printed for the national banks.

The gold standard act, passed by Congress, March 14, 1900, adopted the policy for our Government of backing our paper money with 40 per cent gold. It is known that paper money can be safely issued on the Nation's credit as long as we have 40 per cent in gold as a reserve to back each dollar. We have sufficient idle gold to authorize the issuance of the money to pay the adjusted-service certificates without reducing our gold reserve to as low as 40 per cent.

Therefore, the debt can be paid with good, safe, sound money that will be worth 100 cents on the dollar, without a bond issue, without increasing taxes, without unbalancing the Budget, without increasing our national debt, and without endangering the gold standard.

The bill, as amended by an amendment suggested by Ex-Senator Robert L. Owen, a former national banker and coauthor of the Federal reserve act, gave the Federal Reserve Board the power to exchange Government bonds for any part of this money and the money so obtained to be returned to the Secretary of the Treasury for cancellation. The power to control the volume of money under this amendment would at all times be subject to the will of the Federal Reserve Board. Therefore, instead of the bill providing for uncontrolled inflation, or even a step in the direction of the kind of inflation experienced by Germany and Russia, it provides for controlled expansion of the currency.

The effect of this distribution of new money will be to give the people $2,000,000,000 more circulating medium upon which no one will be paying interest. The debt must be paid some time, because it has already been confessed by Congress. It can be paid in advance of the time it is made payable, without cost to the Government, and its payment will be of immense benefit to all the people. I do not believe this money will ever have to be retired, as the increase in our population, national wealth, national income, and monetary gold stock causes a necessity for this much permanent addition to our circulating medium. If we do not expect to retire it in the near future, Congress can eliminate from its annual budget the $112,000,000 payment each year, which now goes into a sinking fund to retire the certificates in 1945.

People do not have enough money at this time to do business on. It is reported by the Treasury Department that we have $5,500,000,000 in circulation. The Treasury Department presumes that all the money is now in circulation that has ever been put into circulation, not taking into account what has been lost in fires, such as the Great Chicago fire, and in shipwrecks and in other ways. The statement also presumes that all the money is in the United States, when, in truth and in fact, Cuba uses our money exclusively, Poland uses our money almost exclusively, and much of it is being used in other foreign countries. In addition, a substantial part of the amount of money outstanding is hoarded by the banks and individuals. We do not actually have more than about $10 or $12 per capita money in circulation in the United States to-day.

In Tenino, Wash., money made of wood is being used as a medium of exchange. The wooden money is as good as gold to purchase anything in that city. At Farmersville, Tex., recently, a customer purchasing $1 worth of goods from a merchant gave a $1 check in payment of the bill. The merchant transferred the check, which was in turn transferred to another until the dollar check had 20 indorsements before reaching the bank. When it reached the bank payment was refused because of insufficient funds. Instead of each indorser going back on the one who gave him the check the 20 indorsers contributed 5 cents each to the account of the maker of the check at the bank, the check was paid off and $20 in debts were paid 95 cents on the dollar after deducting the 5 cents paid by each indorser. Even wooden money and hot checks seem to be used to an advantage in this crisis in the absence of sufficient money.

It has been contended heretofore that we did not need so much money in circulation, since credit was available through 30,000 banking institutions. Recently, however, 10,000 of these banking institutions have closed their doors, causing the people to lose billions of dollars in deposits. The bankers have tightened up on their loans until credit facilities are practically frozen. There is only one way, to my mind, that we can make up for this lack of credit and lack of velocity of money, and that is by adding more money—volume.

It is true that if we add such a large amount of money to the circulating medium it will cause a dollar to purchase less. That, however, will be offset by a rise in commodity prices and make debts and taxes easier to pay. The incomes of individuals and corporations will be increased, and this will result in additional Federal revenue. Proper currency expansion will enable the farmers and others to pay their debts on somewhat the same basis at which they were contracted.

The money will go into every nook and corner of the Nation. It will increase the per capita circulation of money about $18. Every community will get a share. It will go to every class, race, and creed; every occupation, avocation, and trade will be benefitted; it will be deposited in the banks, which will increase the reserves of the banks, make the depositors' money safer and credit easier to obtain. This money will be spent, thereby causing an expansion of consumption; it will not be hoarded, but will immediately go into the channels of trade and production. It will benefit the general welfare as well as the veterans. It will provide buying power for the people.

If the veterans are not paid now, by 1945 practically all the remainder of their certificates will be consumed by compound interest which they are forced to pay the banks and the Government on prior loans.

The last 62 years the Government has permitted national banks to deposit Government bonds with the Secretary of the Treasury as collateral security for the issuance to them of new money (greenbacks). The banks not only get the use of the new money, which is issued on the credit of the Nation and is a mortgage on all homes and other property of all the people, but they also get interest on the bonds deposited with the Secretary of the Treasury. The people are not getting the money from the banks because they do not have the required security. The veterans have Government bonds; why should not they be allowed the same privilege. Let us compare the difference in the plan to pay the veterans and the present plan of issuing money to national banks in return for a deposit of Government bonds:

1. In each case a Government noncirculating obligation (bond) is exchanged for a Government circulating obligation (money).

2. In each case the Government obligation that is deposited with the Secretary of the Treasury is payable in 1945 or in the future.

3. In neither case will the total indebtedness of the Nation be increased.

4. In neither case will there be a specific gold reserve set aside as fractional coverage to redeem the paper money. We have, however, sufficient idle gold to establish such a coverage, and the gold parity act of March 14, 1900, in itself provides that all money issued is legally redeemable in gold.

If good money is issued to the banks under the present system, good money will be issued to the veterans under this plan. This same principle was indorsed by Congress in the Glass-Steagall bill and the home loan bank bill.

Every World War veteran who is not a member of a veterans' organization should join one at once. There are three congressionally recognized organizations that the World War veterans may join. They are the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans. Every World War veteran who has an honorable discharge is qualified to join one of these organizations. I hope every veteran who can conveniently do so joins all three, if eligible; if not, to at least become affiliated with one. The veterans have influence in proportion to their membership in their organizations. All three of these organizations have indorsed full payment of the adjusted-service certificates. They should double their membership the next few months, and they will if all World War veterans realize the kind of fight that is being put up against them. A march on Washington by destitute veterans will be injurious to the cause of all veterans. Instead of such veterans coming to Washington they should support their organizations at home. The veterans will continue to win as long as they are reasonable, the false and misleading propaganda to the contrary notwithstanding.

Do not forget that this debt to veterans must be paid anyway; it has already been acknowledged by Congress, and the general welfare of the Nation will be promoted if it is paid now, as suggested, without additional cost to the Government.

Remember, too, the chief cause of this depression is lack of buying power. Consequently any additional buying power put in the hands of the public would tend to ameliorate the depression.

Let us make a long step in the direction of restoring this country by paying the adjusted-service certificates.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 4023. An act providing for the closing of barber shops one day in every seven in the District of Columbia; and

S. 4123. An act to amend the District of Columbia traffic acts, as amended.

ADJOURNMENT

Mr. TAYLOR of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 56 minutes p. m.) the House adjourned until to-morrow, Friday, December 16, 1932, at 12 o'clock noon.

COMMITTEE HEARINGS

Tentative list of committee hearings scheduled for Friday, December 16, 1932, as reported to the floor leader:

RIVERS AND HARBORS

(10.30 a. m.)

Hearings on New Jersey shore-protection project.

AGRICULTURE

(10 a. m.)

Continue hearings on farm program.

EXECUTIVE COMMUNICATIONS, ETC.

806. Under clause 2 of Rule XXIV, a letter from the Administrator of Veterans' Affairs, transmitting a carbon copy of letter dated November 18, 1932, addressed to the Librarian, Library of Congress, Washington, D. C., and also a photostat of reply thereto, dated November 26, 1932, referring to certain records now in storage in the Veterans' Administration, Washington, D. C., and the 125 field establishments of the administration, which are no longer of use in current work nor of historical value, was taken from the Speaker's table and referred to the Committee on Disposition of Useless Executive Papers.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. TAYLOR of Colorado: Committee on Appropriations. H. R. 13710. A bill making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes; without amendment (Rept. No. 1792). Referred to the Committee of the Whole House on the state of the Union.

Mr. McREYNOLDS: Committee on Foreign Affairs. H. R. 13534. A bill authorizing the appropriation of funds for the payment of claims to the Mexican Government under the circumstances hereinafter enumerated; without amendment (Rept. No. 1793). Referred to the Committee of the Whole House on the state of the Union.

Mr. JONES: Committee on Agriculture. H. R. 13607. A bill to authorize the distribution of Government-owned cotton to the American National Red Cross and other organizations for relief of distress; without amendment (Rept. No. 1795). Referred to the Committee of the Whole House on the state of the Union.

Mr. LAMBETH: Committee on Printing. House Resolution 306. A resolution to print, as a House document, the letter from the Secretary of War transmitting a report of the Chief of Engineers for the development of Neuse River, N. C. (Rept. No. 1796.) Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. PEAVEY: Committee on War Claims. H. R. 5151. A bill for the relief of the heirs of the late Frank J. Simmons; without amendment (Rept. No. 1794.) Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TAYLOR of Colorado: A bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes; to the Committee of the Whole House on the state of the Union.

By Mr. BOEHNE: A bill (H. R. 13711) to extend the times for commencing and completing the construction of a bridge across the Ohio River at or near Cannelton, Ind.; to the Committee on Interstate and Foreign Commerce.

By Mr. CARTER of Wyoming: A bill (H. R. 13712) to provide that advances under the Reconstruction Finance Corporation act may be made with lien on crops as adequate security; to the Committee on Banking and Currency.

By Mr. LANHAM: A bill (H. R. 13713) to provide that in certain cases loans to veterans upon adjusted-service certificates shall be considered partial payments, and for other purposes; to the Committee on Ways and Means.

By Mr. BACHMANN: A bill (H. R. 13714) to amend the World War adjusted compensation act, as amended; to the Committee on Ways and Means.

By Mr. LANHAM: A bill (H. R. 13715) to authorize a special rate of postage on periodicals when sent by public libraries; to the Committee on the Post Office and Post Roads.

By Mr. MEAD: A bill (H. R. 13716) to restore former basis of compensation and allowances of postmasters and other employees of offices of the first, second, and third classes, and commissions of postmasters of the fourth class, and for other purposes; to the Committee on Ways and Means.

By Mr. PESQUERA: A bill (H. R. 13717) to authorize the erection of a Veterans' Administration home in Puerto Rico, and to authorize the appropriation therefor; to the Committee on World War Veterans' Legislation.

By Mr. MANSFIELD: A bill (H. R. 13718) amending the law relating to the collection of fees for passports; to the Committee on Foreign Affairs.

By Mr. LEA: A bill (H. R. 13719) to raise revenue by the taxation of light wines; to the Committee on Ways and Means.

Also, a bill (H. R. 13720) to provide revenue by increasing taxes on certain nonintoxicating vinous liquors and to remove the limitation of the prohibition laws upon their manufacture, transportation, and sale in certain cases; to the Committee on Ways and Means.

By Mr. MANSFIELD: Resolution (H. Res. 323) disapproving the Executive order of December 9, 1932, which transfers or changes any of the duties and responsibilities of the Chief of Engineers, Corps of Engineers, or of the officers of the Corps of Engineers, United States Army; to the Committee on Expenditures in the Executive Departments.

By Mr. BRITTEN: Joint resolution (H. J. Res. 508) proposing an amendment to the Constitution of the United States relative to the eighteenth amendment; to the Committee on the Judiciary.

By Mr. CLANCY: Joint resolution (H. J. Res. 509) authorizing the issuance of a special postage stamp in honor of Brig. Gen. Thaddeus Kosciusko; to the Committee on the Post Office and Post Roads.

By Mr. MEAD: Joint resolution (H. J. Res. 510) directing the President of the United States of America to proclaim October 11 of each year General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

By Mr. CELLER: Joint resolution (H. J. Res. 511) to investigate the activities of the Irving Trust Co. of New York, as receiver in bankruptcy and equity causes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRITTEN: A bill (H. R. 13721) for the relief of Julian M. Jordan; to the Committee on Naval Affairs.

By Mr. BURTNESS: A bill (H. R. 13722) for the relief of the Morgan Decorating Co.; to the Committee on Claims.

By Mr. CABLE: A bill (H. R. 13723) for the relief of Olive J. Shepherd; to the Committee on Claims.

By Mr. CHINDBLOM: A bill (H. R. 13724) for the relief of Walter Edward Nolde; to the Committee on Naval Affairs.

By Mr. CONNOLLY: A bill (H. R. 13725) for the relief of George B. Marx; to the Committee on War Claims.

By Mr. DYER: A bill (H. R. 13726) for the relief of James P. Spelman; to the Committee on Claims.

By Mr. EVANS of California: A bill (H. R. 13727) for the relief of Carrie Gannon; to the Committee on Claims.

Also, a bill (H. R. 13728) for the relief of Laura B. Crampton; to the Committee on Claims.

By Mr. FISHBURNE: A bill (H. R. 13729) for the relief of Henry Harrison Griffith; to the Committee on Claims.

By Mr. HORNOR: A bill (H. R. 13730) granting a pension to Sarah M. Waugh; to the Committee on Invalid Pensions.

By Mr. LAMBERTSON: A bill (H. R. 13731) granting a pension to Mikel Gollenger; to the Committee on Pensions.

By Mr. LAMNECK: A bill (H. R. 13732) granting an increase of pension to Sarah Jane Plummer; to the Committee on Invalid Pensions.

By Mr. LUDLOW: A bill (H. R. 13733) granting a pension to Harry Slavin; to the Committee on Pensions.

By Mr. McCLINTIC of Oklahoma: A bill (H. R. 13734) granting a pension to William M. Caplinger; to the Committee on Pensions.

By Mr. MANLOVE: A bill (H. R. 13735) granting a pension to Anna Hindman; to the Committee on Pensions.

By Mr. MEAD: A bill (H. R. 13736) for the relief of Paul Francis Appleby; to the Committee on Naval Affairs.

By Mr. MOUSER: A bill (H. R. 13737) granting an increase of pension to Martha M. Rogers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 13738) granting an increase of pension to Lee Jones; to the Committee on Pensions.

By Mr. RAMSPECK: A bill (H. R. 13739) for the relief of Capt. Frank J. McCormack; to the Committee on Claims.

Also, a bill (H. R. 13740) for the relief of J. H. Taylor & Son; to the Committee on Claims.

By Mr. THOMASON: A bill (H. R. 13741) granting a pension to Grover Cleveland O'Dell; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8951. By Mr. CHINDBLOM: Petition of Benner Chemical Co., of Chicago, favoring certain amendments to the bankruptcy law; to the Committee on the Judiciary.

8952. By Mr. COCHRAN of Pennsylvania: Petition of Farrell Local, No. 1411, of National Federation of Post Office Clerks, of Farrell, Pa., urging that best efforts be put forth to prevent a continuance of the furlough provision in the economy law beyond the present fiscal year; to the Committee on Ways and Means.

8953. Also, petition of Woman's Christian Temperance Union and Clarion County Sabbath School Association, urging the passage of the stop-alien representation amendment to the United States Constitution and count only American citizens when making future apportionments for congressional districts; to the Committee on the Census.

8954. By Mr. CONDON: Petition of Frank A. Silberman and 203 other citizens of Rhode Island, protesting against the repeal or modification of existing legislation beneficial to Spanish War veterans, their widows, or dependents; to the Committee on World War Veterans' Legislation.

8955. By Mr. CULLEN: Petition of Civil Service Forum of New York, urging the Congress to repeal the unjust and inequitable provisions of the economy act as a forward step in relieving the stress of unemployment, restoration of national prosperity, and as an act of justice to faithful workers in the service of the United States; to the Committee on Ways and Means.

8956. Also, petition of Linnaean Society of New York, urging upon the Special Senate Committee on Conservation of Wild Life Resources the desirability of the establishment of Admiralty Island as a wild-life sanctuary; to the Committee on Agriculture.

8957. Also, petition of International Brotherhood of Paper Makers, Local No. 45, Deferiet, N. Y., requesting Congress to create a tariff which will adequately safeguard the pulp and paper industry; to the Committee on Ways and Means.

8958. By Mr. ESTEP: Memorial of 68 citizens, members of Trinity Methodist Episcopal Church, Pittsburgh, Pa., protesting against any legislation tending to weaken the eighteenth amendment by legalizing beer and light wines; to the Committee on Ways and Means.

8959. Also, memorial of Grandview Park Tabernacle, Pittsburgh, Pa., protesting against repeal of the eighteenth amendment or national prohibition act; to the Committee on Ways and Means.

8960. Also, memorial of the Women's Home Missionary Society of the Friendship Park Methodist Episcopal Church, protesting against any repeal of the eighteenth amendment or modification of the national prohibition act; to the Committee on Ways and Means.

8961. Also, memorial of the Mothers' Club of Bloomfield, Pittsburgh, Pa., protesting against the repeal of the eighteenth amendment or modification of the Volstead Act; to the Committee on Ways and Means.

8962. By Mr. FITZPATRICK: Petition unanimously adopted by the common council of the city of Yonkers, N. Y., requesting a modification of the economy act in so far as it affects the postal employees, to bring about a more equitable solution of the present alleged hardships and inequalities; to the Committee on Ways and Means.

8963. By Mr. GARBER: Petition urging support of Senate bill 4646 and House bill 9891; to the Committee on Interstate and Foreign Commerce.

8964. Also, petition of the Zook Wholesale Mercantile Co., Blackwell, Okla., indorsing proposed revision of certain sections of the national bankruptcy act; to the Committee on the Judiciary.

8965. By Mr. GIBSON: Petition of Rev. J. S. Garvin, together with 28 citizens of South Ryegate, Vt., opposing all legislation to legalize manufacture and sale of beer and light wines; to the Committee on the Judiciary.

8966. By Mr. GOLDSBOROUGH: Petition of Denton (Md.) Woman's Christian Temperance Union, opposing vigorously any and all attempts to repeal or modify the eighteenth amendment or its supporting legislation; to the Committee on the Judiciary.

8967. By Mr. HOOPER: Petition of residents of third district of Michigan, urging vote for stop-alien representation amendment to the United States Constitution; to the Committee on Immigration and Naturalization.

8968. By Mr. LEHLBACH: Peition of citizens of New Jersey, opposing the beer bill; to the Committee on Ways and Means.

8969. By Mr. LINDSAY: Petition of American Fruit & Vegetable Shippers' Association, Chicago, Ill., protesting against certain provisions of the Farm Board act; to the Committee on Agriculture.

8970. Also, petition of Pattern Makers League of North America, New York City, opposing the reccmmendations by President Hoover for further reduction of Government employees' salaries and the continuance of the 8⅓ per cent present wage reduction; to the Committee on Appropriations.

8971. Also, petition of Medical Society of the county of Westchester, N. Y., protesting against the growing tendency of Veterans' Administration hospitals; to the Committee on World War Veterans' Legislation.

8972. By Mr. MILLER: Petition of citizens of Hickory Plains, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8973. Also, petition of citizens of Evening Shade, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8974. Also, petition of Ladies' Missionary Society of Roe, Ark., protesting against the repeal or modification of the Volstead Act; to the Committee on Ways and Means.

8975. Also, petition of citizens of Melbourne, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8976. Also, petition of citizens of Newport, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8977. Also, petition of citizens of Pearson, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8978. Also, petition of citizens of Oil Trough and Elmo, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8979. Also, petition of citizens of Heber Springs, Ark., protesting against repeal or modification of Volstead Act; to the Committee on Ways and Means.

8980. Also, petition of citizens of Batesville, Ark., protesting against the repeal or modification of the Volstead Act; to the Committee on Ways and Means.

8981. By Mr. NELSON of Maine: Petition of Mary Richardson and 21 other citizens of Southwest Harbor, Me., urging Congress to refuse to change the Volstead Act; to the Committee on the Judiciary.

8982. Also, petition of 28 citizens of Randolph, Me., urging Congress to refuse to legalize beer and wine; to the Committee on Ways and Means.

8983. Also, petition of Cora B. Lincoln and 83 other residents of Maine, urging the Seventy-second Congress to maintain the eighteenth amendment without change; to the Committee on the Judiciary.

8984. Also, petition of 28 citizens of Columbia, Me., urging passage of the proposed constitutional amendment to stop alien representation; to the Committee on the Judiciary.

8985. Also, petition of 50 citizens of Gardiner, Me., urging Congress to refuse to legalize beer and wine; to the Committee on Ways and Means.

8986. By Mr. PARKS: Petition of citizens of New Edinburg, Ark.; to the Committee on the Judiciary.

8987. Also, petition of citizens of Prescott, Ark.; to the Committee on the Judiciary.

8988. Also, petition of citizens of Hamburg, Ark.; to the Committee on the Judiciary.

8989. Also, petition of citizens of Stamps, Ark.; to the Committee on the Judiciary.

8990. Also, petition of citizens of Purdon, Ark.; to the Committee on the Judiciary.

8991. Also, petition of citizens of Okolona, Ark.; to the Committee on the Judiciary.

8992. Also, petition of citizens of Strong, Ark.; to the Committee on the Judiciary.

8993. Also, petition of citizens of Stephens, Ark.; to the Committee on the Judiciary.

8994. Also, petition of citizens of Prescott, Ark.; to the Committee on the Judiciary.

8995. Also, petition of citizens of Montrose, Ark.; to the Committee on the Judiciary.

8996. Also, petition of citizens of El Dorado, Ark.; to the Committee on the Judiciary.

8997. By Mr. ROBINSON: Petition signed by Frank Pitzenberger and Julia Pitzenberger, president and secretary of the Pitze Beauty Parlor Supply Co., Waterloo, Iowa, and 15 others, urging the repeal of the eighteenth amendment; to the Committee on the Judiciary.

8998. By Mrs. ROGERS: Memorial of the City Council of the City of Lowell, Mass., requesting that immediate legislation be enacted to legalize the sale of beer and light wine in Massachusetts; to the Committee on Ways and Means.

8999. By Mr. RUDD: Petition of Medical Society of the County of Westchester, N. Y., protesting against the growing tendency of the Veterans' Administration hospitals to compete with the hundreds of approved hospitals now in existence, etc.; to the Committee on World War Veterans' Legislation.

9000. Also, petition of Pattern Makers' League, New York City, opposing the recommendations of the President for further salary reduction of Government employees and also the continuance of the 8⅓ per cent wage reduction; to the Committee on Appropriations.

9001. By Mr. SEGER: Letter of Rev. Roswell F. Hinkelman, minister Community Congregational Church, Little Falls, N. J., with resolutions of young people's rally favoring passage of Senate bill 1079, by Senator BROOKHART, on motion-picture industry; to the Committee on Interstate and Foreign Commerce.

9002. By Mr. SNELL: Petition of residents of Mooers Forks, Ellenburg Depot, etc., opposing the return of beer; to the Committee on Ways and Means.

9003. By Mr. SPARKS: Resolution of Woman's Home Missionary Society of Rice, Kans., submitted by Della Magaw, president, and Mrs. A. W. Cochran, secretary, of the society, asking for Federal legislation for regulating motion pictures; to the Committee on Interstate and Foreign Commerce.

9004. Also, petition of citizens of Morland, Hoxie, and Penokee, Kans., submitted by Grace E. Brown and Ira McGuire and signed by 84 others, protesting against any change in the prohibition law or the submission of any new amendment providing for repeal of the eighteenth amendment; also petition of citizens of Rice and Ames, Kans., submitted by Mrs. Ernest S. Lagasse and Mrs. Orville Doyeu and signed by 24 others, protesting against the legalizing of any intoxicating liquors; to the Committee on the Judiciary.

9005. By Mr. STEWART: Petition of 271 residents of the fifth congressional district, opposing every legislative act that would legalize alcoholic liquors stronger than one-half of 1 per cent; to the Committee on Ways and Means.

9006. By Mr. SUMMERS of Washington: Petition of the Woman's Home Missionary Society, Methodist Episcopal Church, Clarkston, Wash., urging support of Senate bill 1079 and Senate Resolution 170, relative to the establishment of a Federal motion-picture commission, etc.; to the Committee on Interstate and Foreign Commerce.

9007. By Mr. TARVER: Resolution of the Burning Bush and Boynton (Ga.) Baptist Missionary Societies, asking the maintenance and enforcement of National and State laws against intoxicating liquors; to the Committee on the Judiciary.

9008. By Mr. THOMASON: Petition of El Paso-Hudspeth County Farm Bureau, conveying resolutions adopted at its meeting on November 19, 1932; to the Committee on Agriculture.

9009. By Mr. TREADWAY: Petition of citizens of Dalton, Mass., urging the adoption of a stop-alien representation amendment to the Constitution of the United States; to the Committee on the Judiciary.

9010. By Mr. WATSON: Petition of the Bensalem Woman's Christian Temperance Union, Trevose, Pa., opposing any change in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

9011. By Mr. WEST: Petition of 45 residents of Ashland, Polk, West Salem, Delta, and Jeromesville, Ohio, urging passage of stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9012. By Mr. WYANT: Petition of D. W. Baer, secretary Greensburg Council, No. 169, Junior Order United American Mechanics, urging passage of the Moore immigration bill; to the Committee on Immigration and Naturalization.

9013. Also, petition of J. Irwin Green, Murrysville, Westmoreland County, Pa., urging support of stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9014. Also, petition of Theo. C. Hackenberg, Murrysville, Pa., urging support of stop-alien representation amendment to the United States Constitution to cut out 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

9015. Also, petition of 44 persons representing missionary societies of the Westminster Presbyterian Church, of Greensburg, Pa., urging support of the stop-alien representa-

tion amendment to the United States Constitution to cut out 6,280,000 aliens in this country and count only American citizens when making future apportionment for congressional districts; to the Committee on the Judiciary.

9016. Also, petition of E. P. George, C. G. Koerner, A. E. Snair, L. G. Gohogan, George Waddington, A. J. Kuhn, Paul J. Trout, of New Kensington, Pa., urging support of the stop-alien representation amendment to the United States Constitution to cut out 6,280,000 aliens in this country and count only American citizens when making future apportionments for congressional districts; to the Committee on the Judiciary.

SENATE

FRIDAY, DECEMBER 16, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

THE JOURNAL

Mr. FESS. Mr. President, I ask unanimous consent for the approval of the Journal for the calendar days of Tuesday, December 13, Wednesday, December 14, and Thursday, December 15, 1932.

The VICE PRESIDENT. Is there objection? The Chair hears none and it is so ordered.

CALL OF THE ROLL

Mr. HARRISON obtained the floor.

Mr. FESS. Mr. President, will the Senator from Mississippi yield to me to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Mississippi yield for that purpose?

Mr. HARRISON. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Cutting	Kean	Schall
Austin	Dale	Kendrick	Schuyler
Bailey	Dickinson	Keyes	Shipstead
Bankhead	Dill	King	Shortridge
Barbour	Fess	La Follette	Smith
Barkley	Frazier	Logan	Smoot
Bingham	George	Long	Steiwer
Black	Glass	McGill	Swanson
Blaine	Goldsborough	McKellar	Thomas, Okla.
Borah	Gore	McNary	Trammell
Broussard	Grammer	Metcalf	Tydings
Bulkley	Hale	Moses	Vandenberg
Bulow	Harrison	Neely	Wagner
Byrnes	Hastings	Norbeck	Walcott
Capper	Hatfield	Nye	Walsh, Mass.
Carey	Hawes	Oddie	Walsh, Mont.
Cohen	Hayden	Patterson	Watson
Coolidge	Hebert	Reed	White
Copeland	Howell	Reynolds	
Costigan	Hull	Robinson, Ark.	
Couzens	Johnson	Robinson, Ind.	

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained in attendance on the funeral of the late Representative Garrett.

I also desire to announce that the Senator from Illinois [Mr. LEWIS] is detained on official business.

I also wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] and the junior Senator from Arkansas [Mrs. CARAWAY] are detained by reason of illness.

Mr. TRAMMELL. I wish to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is detained by illness.

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. My colleague [Mr. WHEELER] is absent on account of illness.

The VICE PRESIDENT. Eighty-one Senators have answered to their names. A quorum is present.

FOREIGN DEBTS

Mr. HARRISON. Mr. President, on yesterday I gave notice that to-day I intended to discuss the foreign debt situation. Since making that announcement there has been, in my opinion, some change in the trend of events. Certain circumstances have arisen which I hope will work to the mutual advantage of both France and the United States and preserve the fine and friendly and cordial relationship that always has existed between the two countries. Therefore, it is my opinion that the wise thing to do at this time, in view of that situation, is to withhold any remarks touching that very important question, and so I shall conduct myself accordingly for the present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 13520) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1934, and for other purposes, in which it requested the concurrence of the Senate.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. ROBINSON of Arkansas. Mr. President, the debate on the pending bill, it seems to me, has proceeded far enough to justify the imposition of a limitation by unanimous consent. It will be recalled that during the last session the bill and amendments to it were discussed for a period of a week or 10 days. It has been the sole subject of consideration since the present session began. A number of tentative agreements have been reached. I feel that with the approval of those in charge of the bill and other Senators who have been interested in important amendments a proposal for limitation should be submitted.

Therefore, I ask unanimous consent that all debate on the bill and each amendment and motion relating to the same be limited, so that hereafter no Senator may speak more than once or longer than 10 minutes on the bill or any amendment thereto or any motion pertaining to the same.

The VICE PRESIDENT. Is there objection?

Mr. BROUSSARD. Mr. President, will the Senator limit the request to the pending motion? We do not know what other amendments may be proposed, and there may be some that would require considerable debate. May not the request be limited at this time to the pending motion? That will probably determine the fate of the bill.

Mr. ROBINSON of Arkansas. If the Senator objects or if he indicates an intention to object, I will withdraw the request. I shall renew it a little later.

Mr. LONG. Mr. President, as I understand it, there is no objection to the request so far as it relates to the pending question. Let us go as far as we can. If there is no objection to limiting debate on the pending motion, let us dispose of that and then see what the situation is.

Mr. ROBINSON of Arkansas. In view of the suggestions of the two Senators from Louisiana, while I am not certain that very much will be accomplished by imposing a limitation of debate on the amendment, which has already been debated, and the pending motion, on which I understand the Senate is about ready to vote, I ask unanimous consent that debate on the pending motion be limited so that no Senator may speak more than once or longer than 10 minutes.

Mr. DILL. That has reference to the pending motion to reconsider?

Mr. ROBINSON of Arkansas. Yes; the motion to reconsider. That is the pending question.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

The question is on the motion of the Senator from South Dakota [Mr. BULOW] to reconsider the vote whereby the